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MALAWI

GERMAN ASSISTANCE AGREEMENT, ALLOCATION TO ECONOMY DESCRIBED

Blantyre DAILY TIMES in English 29 May 86 pp 1, 3

[Text]

MALAWI appreciates the consistent financial and technical support the Government of the Federal Republic of Germany gives to this country to finance various development programmes in all sectors of the economy since Independence, the Minister of Finance, Mr. Chimwemwe Hara, acknowledged in Lilongwe yesterday.

The Government of the Republic of Malawi and the Federal Republic of Germany signed an agreement under which Germany would provide funds, on a grant basis, amounting to K16.2 million, to support Malawi's third structural adjustment programme.

The Minister of Finance, Mr. Chimwemwe Hara, signed the agreement on behalf of the Malawi Government, while the German Ambassador to Malawi, Dr. Theodora van Rossum, signed on behalf of her Government at the Treasury Offices in the Capital City.

Under the agreement, the Federal Republic of Germany would provide balance of payments support in connection with the importation of goods into the country. The local currency counterpart of the funds would,

among other things, be used to finance development projects.

Speaking after the signing ceremony, Mr. Chimwemwe Hara thanked the Government of the Federal Republic of Germany for the continued assistance to Malawi, adding that for the past two decades, the German Government had provided financial and technical cooperation to this country worth almost K400 million.

He noted that the funds had financed development projects in all the main sectors of the country's economy.

In the agricultural sector, the Central Region Lakeshore Development Project, Kawinga Rural Development Project, Lilongwe Agricultural Development Project, and the Malawi/German Livestock Development Project had benefited from these funds.

The Minister said that in the roads and transport infrastructure, they had financed among others, the Salima Benga Road, the Liwonde-Nsanama Road, the Chiweta-Kacheche Road, the Road Maintenance Project, and the Mtendere passenger vessel on Lake Malawi.

Mr. Chimwemwe Hara said that there had also been significant financing in other sectors, such as the Blantyre Sewerage Scheme, the Rural Growth Centres and the Secondary Centres Development Programme.

Mr. Chimwemwe Hara assured the German Ambassador that all the assistance was made possible because of the confidence and trust which her Government had in the wise and dynamic leadership of His Excellency the Life President, Ngwazi Dr. H. Kamuzu Banda.

The Minister stressed that the ceremony yet marked another milestone

in the spirit of cooperation the West German Government had displayed to Malawi over the years.

In her remarks, Dr. van Rossum said that she was very happy to sign the agreement as the finance would be used within the frame of Africa facilities allowing the Malawi Government to purchase abroad.

The German Ambassador added that she was particularly happy because it is at this time that in New York there is a special United Nations session on Africa where the chairman of the Organisation of African Unity, Senegalese President Abdou Diouf had asked industrial and African countries to work very closely together in order to improve the conditions of Africa.

The envoy considered the ceremony as a very quick response to that request by her Government.

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MALAWI

GOVERNMENT ANXIOUS TO TAP TOURIST POTENTIAL, HOTELS PLANNED

Blantyre DAILY TIMES in English 28 May 86 p 1

[Article by Samuel Chunga]

[Text]

MALAWI is determined to fully tap its tourism potential by building more modern hotels and resorts and improving access roads to the facilities, some of which will dot beaches of the nation's magnificent lake.

The Principal Secretary in the Ministry of Trade, Industry and Tourism said this when he addressed a top-flight group of seven travel agents and a tour operator from South Africa at a reception the Ministry hosted at Capital Hotel in Lilongwe on Sunday night.

The reception was held on the eve of the group's return home after a hectic three-day visit to the country.

Nkopola Lodge, Club Makokola in Mangochi, and Lilongwe hotels were some of the places the guests visited.

Commenting after Ministry officials and the guests had had an hour long 'debriefing' on the current limitations and potential of the country's tourism industry, the Principal Secretary said the government was keen to effect unprecedented

improvements to make Malawi a major attraction for tourists from all over the world.

He stated that the construction of hotels and resorts, the improvement of access roads and even an introduction of special air and road package trips were some of the plans the government and some private organisations had in this context.

"Compared to other countries in this part of the world, we are a cheaper and more appropriate destination and we hope there will be more tourists coming to Malawi," the Principal Secretary said, adding that attractions includes the country's lake, wildlife, scenic beauty and its people whose friendliness has made the nation to be popularly known as 'The warm heart of Africa'.

He thanked the South African visitors — mainly

working for Travel Visison (Pty) Limited — for having been instrumental in making some of the 8,000 tourists visit Malaŵi during the 1985/86 season.

In an interview later, the leader of the South African guests, Mr. Len Oblowitz, Travel Visison's national sales manager, said the visit had been a great eye opener to all his colleagues.

Although they had 'sold' Malaŵi to many tourists in South Africa, the officials themselves lacked first hand information about this country, he said.

"This wonderful taste of Malaŵi will now enable us to speak more authoritatively in persuading tourists to come this

way," Mr. Oblowitz stated.

He said the immaculate Kamuzu International Airport in Lilongwe was the first among a number of pleasant surprises he and his colleagues had had in Malaŵi, including the people's unique warmth, well-developed infrastructure and a sense of security visitors felt wherever they went.

"The depreciation of the rand back home has made travel abroad expensive for many tourists. And as they will now be looking for destinations closer to home, I think Malaŵi will be the ideal place to come to," the Travel Visison official explained.

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MALAWI

MINING LICENCES SOUGHT, MINERAL SURVEY UPDATE

Blantyre DAILY TIMES in English 26 May 86 p 12

[Article by Chatonda Mhone]

[Text]

NINE mining licences were in force in 1985 and two applications for mining licences were being considered, according to the Malawi 1986 Economic Report.

The licences in force were for rock aggregate for roads and other construction, rail ballast, limestone for cement production, coal and kyanite while the two applications being considered were for gemstone mining.

Commenting on the general position on licensing at the end of 1985, the report says 13 Non-Exclusive Prospecting Licences were in force and a further 13 under consideration.

The report added that 16 claims had been registered and six applications for registration of claims were being considered. The Non-Exclusive Prospecting Licences and claims were mainly for small-scale and relatively low-precious stones, copper, coal, silver, galena, zircon, corundum, apatite, feldspar, dolomite, clay, silica sand, beryl,

mica crushed stone and fluorite.

One Reconnaissance Licence was granted to a British firm to prospect for uranium in the Karonga-Rumphi area for a period of one year and the firm continued to prospect on an Exclusive Prospecting Licence granted to them in 1984.

Meanwhile the flying phase of MK6 million UNDP-assisted country-wide airborne geophysical survey was completed in early July 1985, the report says adding that since the flying started in May 1984, a total of 896,000 line-kilometres were flown.

The next phase of the project will be the interpretation of the data including indications of potential mineral exploration targets and at the same time, the Department of Geological Survey will commence a ground follow-up investigation programme, principally to detect minerals and attempt to interest international mining concerns in at least some of the targets which have been identified.

TANZANIA

FRENCH GRANT TO REHABILITATE DAR ES SALAAM AIRPORT

Dar es Salaam DAILY NEWS in English 17 May 86 p 1

[Article by James Mwakisyala]

[Text]

THE opening of the 220 kv Iringa-dodoma power transmission line was not only a relief to the residents of Dodoma and the surrounding areas where power failures had caused much inconvenience in the past few years.

It marked the beginning of the implementation of the north west extension of the national power grid which would extend to Singida, Shinyanga and Mwanza with connections to Musoma and Tabora.

According to the Managing Director of the Tanzania Electric Supply Company (TANESCO), Ndugu Salvatory Mosha, Tanesco would now save at least two million - a month for the 300,000 litres of diesel it had been consuming for its two thermal power stations in Dodoma.

The opening of the 201-kilometre long Iringa-Dodoma line means that the country's electricity capacity now was 401 megawatts of power - 148 megawatts generated in diesel-run plants and 253 from hydro-electric plants.

Ndugu Mosha says about 80 per cent of the electricity consumed by the country now is generated from the hydro-electric plants that are within the national grid system.

The remaining 20 per cent of power is derived from Tanesco's diesel plants, costing the company some 400 million - a year or 40 per cent of its annual expenditure.

The estimated hydro-electric power in Tanzania is 6,000 megawatts, according to Tanesco's Managing Director.

The completion of the Kidatu Mtera complex in 1988 will raise the country's hydro-electric power capacity from 253 to 343 megawatts.

The opening of Iringa-Dodoma powerline is also part of a Party Directive (through the 1981 Guidelines) to the government to invest in the hydro-electric projects and other renewable sources of energy other than the expensive hydrocarbons.

Among the projects implemented shortly after 1981 is the construction of the 220 kv powerline from Kidatu to Mufindi (including the Southern Paper Mills at Mgololo), Iringa and Mbeya towns. Kidatu power reached Mbeya early last year.

The extension of the hydro-power to Mbeya has already started to relieve the south-western town of power interruptions which, among other things, had disrupted production at some of its industrial plants there.

"switching on" in Dodoma of the power from Kidatu was, therefore, a step towards that direction, spreading hydro-electric power to reach important industrial and population centres in the country and phasing out or limiting the use of expensive diesel-powered generators.

The Dodoma-Iringa line, whose construction started in late 1983 has cost the country about 550 million - of which 450 million was in foreign exchange.

The Italian Government financed the project while the construction was undertaken by an Italian firm, Sadelmi Cogepi. Before Kidatu power reached

Dodoma, the fast-expanding town was getting 4.1 megawatts from the two diesel-powered electricity stations in the town. Now about 4,200 tonnes of heavy fuel worth about 44 million - will be saved a year.

The project, inaugurated by President Mwinvi last Sunday, also included a sub-station at Zuzu - ten kilometres west of Dodoma - with a capacity to supply 32 megawatts of power. That is ten times the amount of power supplied to Dodoma now.

The inauguration on the other hand, marked the beginning of the north-west extension of the national grid currently estimated to cost about 2,700 million upon completion.

That seems to be a large amount of money but Tanesco's Managing Director said the amount is little compared to the huge losses the country incurred every year because of power interruptions, or lack of it, due to shortage of diesel, or machine breakdowns.

The key element to the successful implementation of the north-west power grid, however, lay with linking the national grid (hinged around Kidatu) to the Mtera power plant scheduled for commissioning towards the end of 1988.

According to the Minister for Energy and Minerals, Ndugu Al-Noor Kassum, the Kidatu Mtera complex, along with the existing hydro stations at Hale, Pangani, Nyumba-Ya-Mungu and Kikuletwa, supplemented by isolated diesel plants in the few remaining areas, are capable of meeting the nation's power demand to the year 1992 and thereabouts.

"In fact even without Mtera, Kidatu is still large enough to supply our requirements for the next two to three years," Ndugu Al-Noor Kassum told President Mwinvi and other dignitaries who attended the inauguration ceremony at Zuzu near

Dodoma.

He dispelled fears that the completion of the national power grid to the Mtera power plant in the next two years would mean the underutilisation of power to be generated from the new complex since the north-west extension would not be completed.

The government, he said, found it imperative to speed up the construction of transmission lines for the north-west extension of the national grid - hand in hand with the completion of the Mtera dam plant in order to end power supply problems as early as possible.

The new power line is expected to give a fresh impetus to the capital development programme. Doubting Thomases have often-times attributed poor electricity supply as one of the reasons for the slow move to Dodoma.

Ndugu Kassum said the completion of north-west grid extension "will mean an end to costly imports of spares and supplies and annual savings of some 31,000 tonnes of heavy fuel oil every year."

It will further mean the release of vitally needed railway wagons, tanker facilities and fuel storage space in substantial amounts that will then be available for use on other assignments in line with the nation's development priorities.

The line would bring relief to the towns of Mwanza, Shinyanga, Mwadui, Musoma, Singida and Tabora where power supply difficulties has disrupted industrial production.

Implementation of the north-west move from Dodoma has already started. A Yugoslav company, Energoinvest, has started building a 220 kv powerline towards Mwanza. The line is expected to reach Singida by the middle of the year.

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TANZANIA

DANISH AGENCY TO PROVIDE EQUIPMENT FOR WATER PROJECT

Dar es Salaam DAILY NEWS in English 23 May 86 p 4

[Article by Elizabeth Marealle]

[Text]

VILLAGERS at Nzihi, some 20 kilometres west of Iringa town get tap water for domestic use. But frequent breakdowns on the ten-year-old water system force the majority to depend on nearby rivers for water supplies.

Ibrahim Minde, the engineer in-charge of a proposed Magubike Water Scheme to benefit Magubike, Nzihi, Kipera and Nyamihuhu villages said recently the first phase of the scheme would be to rehabilitate the old water system.

New pipes to replace broken ones would be laid and one of the two intake tanks would be provided with a concrete slab cover instead of using galvanised iron sheets which are often stolen, he said.

One of the major changes would be to increase the number of taps to lessen the distance one has to go to fetch water. At present most of the taps are placed along the only main road in the village which leads to the Ruaha National Park.

A new intake reservoir would be built on higher ground because there is a cattle-crossing just above the present reservoir. This is one of the reasons why the water is always muddy.

A new water tank with a capacity to store 75,000 litres will be installed to bring the total storage capacity to 125,000 litres.

The Danish International Development Agency (DANIDA) will provide all the necessary equipment while the people are going to be mobilised to do the rest of the work on self help basis.

Two people from each of the four villages have been attached

to the core technical team to take part in all stages like masonry, digging trenches, laying pipes and plumbing to enable them run and maintain the network in their respective villages when it is ready.

The Nzihi village has by-laws which require all able-bodied persons in the village to volunteer in implementing development projects either in person or through representation by a member of their family. Equipment for the scheme has been ordered and the first consignment is expected by the middle of this year, according to Minde. The scheme will definitely help to alleviate health problems which are brought about by contaminated water.

A rural medical aid, Justine Kimario, said diarrhoea is one of the most common diseases reported at the Nzihi dispensary. Other diseases are stomach pains, vomiting, worms, measles, malaria and pneumonia.

The dispensary runs a Maternal and Child Health (MCH) clinic but due to shortages of drugs and kerosene for storing the vaccines both the dispensary and the MCH clinics are not operating normally. The dispensary closes down for 20 days of the month.

At the clinics, mothers are often advised to feed their under-fives properly and observe hygienic measures in bringing up their children. They are also advised to give oral rehydration salts when their children catch diarrhoea and children are vaccinated against polio, measles, tuberculosis, whooping cough, diphtheria and small pox.

Immunisation against the six killer-diseases is very important but not enough to a child who has frequent bouts of diarrhoea.

A woman at the village said recently that such hygienic measures like using three pots or boiling water to make it safe for drinking are time consuming. "And why should I do it when the water is from the tap?" she asked. Another one said when she caught diarrhoea recently, a physician told her to boil her drinking water. "I tried once but it was tasteless so I stopped", she said.

Loss of body water through diarrhoea is the biggest single child killer in Africa. In Tanzania alone, at least 50,000 children die each year because of dehydration from diarrhoeal diseases.

Under the essential drug programme, satches of oral rehydration salts can be obtained in MCH clinics and rural dispensaries as well. And mothers are also taught how to prepare the salts at home using salt and sugar.

The most important ingredient, however, is safe water to make the salts perform the work of helping the body to absorb water. Therefore, diarrhoea could be controlled by drinking boiled water.

Although the concept of primary health care is still new, health personnel need to go to the people and educate them about health problems in their area, health promotion and how to prevent common diseases in their area using affordable techniques and tools.

Health education information should therefore be considered by the health personnel as the right of the people.

TANZANIA

ZANZIBAR TO REVIVE 25 STATE FACTORIES

Dar es Salaam DAILY NEWS in English 29 May 86 p 3

[Article by Dainess-Mary Kuhanga]

[Text] The revolutionary government of Zanzibar intends to revive 25 state factories most of which are now closed because of lack of inputs and spare parts, the Minister for Finance, Ndugu Taimur Saleh Juma, told the Isles House of Representatives here yesterday.

He said the government had no plan to build new ones, until these were working efficiently. Ndugu Juma was answering Ndugu Suleiman Seif Hamad (Utaani) who wanted to know the number of state-operated factories in Zanzibar and whether the government intended to build new ones.

The Minister explained that the existing factories were very crucial to the economy in terms of their contribution to the government through sales taxes, the goods they produced and other statutory levies to the Treasury.

They also helped to absorb a lot of people who would otherwise be unemployed as well as produce consumer goods which the majority of people could afford to buy.

For these considerations, the Government planned to allocate to the institutions adequate capital and trained manpower and other inputs to ensure that there was full utilisation of installed capacity.

He added that in this endeavour, private capital--foreign and local--would be encouraged to take an effective part in their rehabilitation.

In another question, the Deputy Minister for Education Ndugu Rufeia Juma Mbarouk, admitted that low pay and poor working conditions were some of the factors which were forcing experienced teachers to leave the Civil Service.

She however maintained that, teachers in Zanzibar received better salaries compared to those drawn by other cadres in the public services with similar qualifications and experience.

She said to make the teachers stick to their jobs, the Government was trying to provide them with housing at low cost and giving bicycle loans as incentives.

Ndugu Mbarouk was answering Ndugu Said Ally Mjaka (VIJANA) who said teachers were no longer serious in their jobs because they were supposed to buy some of their teaching aids such as books to prepare lesson notes.

Between 1984 and 1985, 64 teachers resigned from the profession because of poor working conditions and lack of incentives in the job.

Meanwhile the Zanzibar Ministry of Health and Social Welfare has been urged to carry out feasibility studies prior to ordering expensive equipment from abroad to save millions of shillings otherwise wasted each year in importing machines which cannot be used.

This was stated by several members who in supplementary questions to the ministry, wanted to know why it had failed to use laundry equipment ordered for the V. I. Lenin here in 1971.

Answering Ndugu Saida Assa Shariff (UWT) on the machines, the Ministry for Health and Social Welfare, Ndugu Maulid Makame, said although the equipment was brought for 450,000/-, it was later discovered that the ministry needed 6.4m/- just to erect a building to house the equipment.

He said the laundry machine which was unfortunately [word indistinct] the open for all the years was now beyond repair.

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CSO: 3400/1979

TANZANIA

IRINGA-DODOMA INAUGURATION MARKS END OF ELECTRICITY SHORTAGE

Dar es Salaam DAILY NEWS in English 16 May 86 p 2

[Article by Zephania Ubwani]

[Text]

TANZANIA will receive a 27m/- grant from France in technical assistance for the rehabilitation of the 850m/- two-year old Terminal Two of the Dar es Salaam International Airport (DIA).

The ultra-modern complex, which was constructed by a Paris-based firm, Bouygues, was completed and handed over to the Tanzania Government in October, 1984.

Many sophisticated systems such as the display screens have been out of order for months and a number of equipment have apparently been vandalised.

An agreement for the rehabilitation of the facility was signed yesterday at the Treasury in Dar es Salaam by Minister for Finance, and Economic Affairs and Planning, Ndugu Cleopa Msuya and the French Ambassador to Tanzania, Mr. Georges Emile Vinson.

However, the grant will take effect in a few weeks' time when an operational agreement gets signed between the Ministry of Communications and Works and a French firm, Sofreavia, which will undertake the rehabilitation.

Four French experts are waiting for the signing of the operational pact before flying to Dar es Salaam. French Commercial Attache, Michel Troubletzky, told the Daily News yesterday.

Under the agreement, the four experts will stay in the country for two years to take charge of maintenance of airport equipment, radar and handling

systems, meteorological and high voltage power supply and electrical generating equipment.

The signing ceremony yesterday was the culmination of negotiations for revamping the airport, which began in February last year, hardly a year after the airport went into operations.

The agreement also provides for technical training of personnel who will maintain the sophisticated computerised equipment and maintenance operations of the various facilities at the airport.

Although under the construction agreement signed with Bouygues training for personnel was included, the Tanzania Government still felt it needed more sophisticated technicians.

Tanzania technicians trained in Cairo, Egypt, and Paris, at a cost of 2.3m/- and it had been hoped that the airport would have been manned by Tanzanian technicians by the time of handover in June, 1984.

The DIA, built next to the 1954 now Terminal One of the airport, involved the extension and strengthening the main runway from 2,600 to 3,000 metres and widening it from 45 to 60 metres enough to handle the biggest passenger aircraft.

Other facilities included the runway lighting system, the fire facility, radar, freight terminal and a modern passenger terminal which is expected to handle up to 1.7 million passengers by 1990. The airport also has hanging bridges or gangways.

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TANZANIA

GOLD MINING COMPANY PLANS REPAIRS TO RAISE PRODUCTION

Dar es Salaam DAILY NEWS in English 28 May 86 p 5

[Text]

THE Buckreel gold mining company in Geita District, has submitted to the Government a comprehensive rehabilitation programme to cost 105m/-.

The programme, if successful will raise gold production from the present 100 kilos to over 570 kilos a year.

The Company General Manager, Ndugu Emmanuel ole-Naiko, said in Dar es Salaam yesterday, the programme includes two major packages.

The first, entails repairing of all machinery and equipment which the company acquired in the late 1960's when the Buhemba and Kyabakari mines in Mara Region were closed down. Ndugu ole-Naiko said 45m/- would be needed for the

next two years for the purpose.

The second, put at 60m/- entails the provision of modern houses for workers, office premises, stores and workshops as well as training for the local personnel.

The General Manager said the programme was prepared after a thorough research which proved that the mine had abundant gold ore reserves of nearly 400,000 tonnes which could be exploited for the next 15 to 20 years.

Ndugu ole-Naiko said presently the company was unable to attract skilled workers because of the remoteness of the mine.

Buckreel is situated nearly 300 kilometres away from Mwanza town. It lacks amenable social

facilities, good roads and monetary incentives.

He stressed that the Government should seriously develop the infrastructure because he could not see how a repair programme could succeed without the workers being properly housed.

'I don't see why SCOPO should fix equal pay for men working 500 feet underground with an office attendant. SCOPO must review terms of service for gold diggers,' he said.

Although his company has already presented to the Ministry of Energy and Minerals a training programme for Buckreel foremen and engineers so that they could be attached to other mines in Zimbabwe to improve their skills, Ndugu ole-Naiko said, there had been no response.

In the meantime, the company — which stopped production last August because of fuel shortage — resumed output early last month after receiving enough diesel.

Ndugu ole-Naiko said after Party Chairman Mwalimu Nyerere's visit to the company in March, this year, regional authorities increased fuel supply from 2,000 litres to 4,000 litres a day.

He said 2,000 litres were only enough to pump out underground water. The company now produces between 12 to 15 kilogrammes of gold per month, earning the country about 3m/- to 4m/- in foreign exchange.

He said if the fuel position would remain the same, the company would this year produce up to 160 kilogrammes compared to 80 kilogrammes last year.

TANZANIA

BRIEFS

ZANZIBAR LAUNCHES FIRST CO-OP--Zanzibar has registered its first regional cooperative union, two months after a law to strengthen the structure of cooperatives here was passed by the House of Representatives. The acting general manager for the union, Ndugu Khamis Rashid Mohamed, said the new body is made of 32 primary societies, with interests ranging from fishing and agriculture to retail trade. Ndugu Mohamed will serve the Zanzibar Urban West Region. He said the main objective of the union will be to supply fishermen, and traders with basic goods at reasonable prices. It will also undertake wholesale trade in spirits, wines, beans and cereal from the mainland and supply the mainland and neighbouring countries with aluminium wire and sea shells. Ndugu Mohamed, who is also the Washirika Regional Secretary, said the cooperative would also fight racketeers who sold basic foodstuffs from mainland at exorbitant prices. He said plans were underway for the union to get a 20m/- loan from one of the local banks. This would serve as initial capital, but he could not name the bank. The acting general manager explained that the union would not involve itself in the purchase of crops as this was the responsibility of the crop authorities. This is the first cooperative union to operate on the isles since the introduction of Washirika here. It is understood that the remaining four administrative regions were registering their own cooperatives, but it was not known when they would begin operating. [Text] [By Mohamed Yusuf] [Dar es Salaam DAILY NEWS in English 28 May 86 p 5] /9274

CSO: 3400/1979

ZAMBIA

HIGHLIGHTS OF SADCC REPORT ON TAZAMA PIPELINE

Luanda SADCC ENERGY in English Vol IV, No 11, 1986 p 21

[Article by Achille Lollo]

[Text]

Among the projects of regional impact formulated by the SADCC Energy Sector in the last two years, one has been especially in the limelight: it involves revitalizing the TAZAMA pipeline linking the Tanzanian port of Dar-es-Salaam to the Zambian Indeni refinery. This project (1.7.1.), which was presented by the SADCC Energy Sector to its international cooperating partners during the Lusaka Conference in January, 1984, is complementary to project 1.0.1., more commonly known as the "Study on Regional Self-sufficiency in the Supply of Oil Products".

The major objective that SADCC seeks to reach by revitalizing the TAZAMA pipeline is to enable Zambia to receive crude feedstocks in order to produce refined petroleum products directly in its Indeni refinery, which is still underutilized.

Though the pipeline is old, the project brings to light the profitability of rehabilitation, given the economic advantages it would provide for Zambia — first of all in saving foreign exchange currently spent on importing refined petroleum products.

Technological revamping of the pipeline appears today to be an extremely important need, not only for Zambia, but also for the SADCC region. The TAZAMA and Beira pipelines are the only means of transporting crude oil that exist in the re-

gion, and through them some landlocked SADCC countries could get their crude without having it go through South Africa.

From an economic standpoint, this project also envisages indirect advantages for the Dar-es-Salaam port. Following rehabilitation of the TAZAMA pipeline and projects that SADCC has planned to upgrade the infrastructure, Dar-es-Salaam will become an important vector for oil importing activities.

In August, 1985, the World Bank edited a report on the rehabilitation of the TAZAMA pipeline. Credit amounting to USD 3 million was granted for implementation, as the project is considered crucial for the success of the steps taken by the Zambia government to solve the country's most critical economic and financial problems.

Zambia and the SADCC Energy Sector promoted negotiations on several occasions to seek funding for this project, and finally, at the Harare Conference in January, 1986, the World Bank and the UNDP stated they were interested in financing.

THE TAZAMA'S PROBLEMS

TAZAMA is currently faced with two main problems, namely the pipeline itself and the telecommunications system.

For the physical pipeline the main problem is the numerous leaks that have so

far been experienced. The Chalinze/Morogoro stretch of the line is the worst hit. The leaks are caused by both internal and external corrosion. The causes of corrosion have so far been identified as:

- a) corrosive Cotton Clay soil
- b) poor cathodic protection system
- c) collection of water in the pipeline, and
- d) an uncleaned pipeline (a lot of sludge and debris).

The telecommunications system is in very bad shape, mainly because the equipment currently in use is outdated and spares are not easily available due to foreign exchange difficulties and obsolescence of some of the equipment.

OBJECTIVES OF THE PROJECT

Firstly to get rid of all the causes of both internal and external corrosion, and secondly to replace all sections of the pipeline where irreparable damage has already been done. In sections where damage has been marginal it will be necessary to institute measures that will help correct the situation. Thirdly the telecommunications

system is likely to become unserviceable very soon. It needs reinforcement very quickly.

THE PROJECT'S TERMS OF REFERENCE

1. To assess the exact extent of irreparable damage that has been done to the pipeline. Preliminary surveys show that a total of about 90 km of the pipeline have been very badly corroded and this lies in four separate sections between km 70 and km 250. This badly damaged stretch will have to be completely replaced.

2. To avoid any further damage of all sections of the line which are not going to be replaced, it will be necessary to rewrap them all. This is especially necessary for slightly damaged sections between km 70 and km 250.

3. The causes of internal corrosion will have to be removed. To do that it will be necessary firstly to carry out a tank cleaning exercise at the tank farm at Dar-es-Salaam using the most effective technique and to coat the interior of the tanks with a well-established epoxy applicable in the oil industry. ■

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SOUTH AFRICA

'MODERATE' BLACK LEADERS VISIT UK, CRITICIZE EPG

MB111903 Johannesburg Television Service in Afrikaans 1800 GMT 11 Jun 86

[Text] A group of moderate black leaders from South Africa is on a visit to Britain and Europe on the eve of the release of the Commonwealth Eminent Persons Group's [EPG] report in London. Today they met conservatives in the British lower house.

[Begin video] [Correspondent Clarence Keyter] Tomorrow the much publicized report of the EPG on South Africa will be officially released, and while there is talk about sanctions on South Africa, the visit of the four moderate black leaders could not have come at a better time. The group, which consists of Bishop Isaak Mokoena of the Independent Reformed Churches Association; the mayor of a town near Port Elizabeth, Mr Livingstone Linda; a councillor, Mr (Hemans Koto); and Mrs (Cindy Leonsinis) of the Victims Against Terrorism Organization of South Africa, were met outside the lower house by Mr John Carlisle, a Conservative MP for North Luton. The group of four moderate black leaders had the opportunity to address 15 MP's in the lower house and transcription of the meeting was also handed to the leader of the Labor Party, Mr Neil Mkinnock, the leader of the Liberal Party, Mr David Steel, and the leader of the Social Democratic Party, Dr David Own. All four members of the group were outspoken in their talks with the parliamentarians and about their aim in visiting Britain and Europe [changes to English] Bishop Mokoena, what do you expect to achieve whilst being in Britain and later on in Europe?

[Mokoena, in English] Well, what we want to do, what we envisage to achieve is to bring to the notice of the British people and people in Europe that there is alternative authentic voice to that of Bishop Tutu.

[Keyter, in English] Mayor Linda, could I turn to you now. What is your reaction and your group's reaction to the report of the EPG coming out tomorrow?

[Linda in English] Yes, our reaction to that report and to that group--we termed them as one of the failure groups to have visited our country because their main failure when they visited South Africa they only met certain individuals, and certain people of interest in South Africa were left out and we deem it fit wuch a report must not be accepted by the European Community because it does not represent all views in my country. That is why we are here. We want to put our views across so that the people can know there is another authentic voice in South Africa which wants to settle the problems in my country on a peaceful change. [as heard] [end video]

8 July 1986

SOUTH AFRICA

RIGHT-WING AFRIKANERS REAFFIRM PLEDGE FOR SOVEREIGN STATE

Gathering at Voortrekker Monument

Johannesburg THE STAR in English 2 Jun 86 p 13

[Article by Sue Leeman]

[Text]

About 10 000 defiant right-wing Afrikaners vowed on Saturday to continue their fight for their own white fatherland.

Vierkleur flags aloft, they stood below the Voortrekker Monument to reconfirm their desire for self-determination in a sovereign state and pledged to make this a reality soon.

The event was supported by a number of political groupings, including the Conservative Party, Herstigte Nasionale Party, Afrikaner Volkswag and the militant Afrikaner Weerstandsbeweging.

The ultra-right Oran-jewerkers Unie was also represented, as was the South African Bureau for Racial Affairs.

A triumph

The gathering was regarded as a particular triumph by the organisers, who were at first refused permission by the monument's controlling council to use the amphitheatre below the stone colossus.

The committee gave in at the last moment — but stipulated that the function should not have a party-political flavour.

From early in the morning, cars began ascending Monument Koppie, until a traffic jam ensued and the municipal traffic police were called in.

At the foot of the hill, near the Fountains pleasure resort,

about a dozen riot police with dogs kept an eye out for trouble. However, the event proceeded peacefully.

'Stormvalke'

At one of the entrances to the amphitheatre, a phalanx of stocky, khaki-clad AWR "Stormvalke" formed a welcoming line.

Waving their Vierkleurs, they waited anxiously for their leader, Mr Eugene Terre Blanche, to arrive. One black man who put in an appearance was promptly hustled away by "Stormvalke".

Mr TerreBlanche arrived late and was escorted to the flag-bedecked platform where the other speakers were already seated — by his troopers, who virtually brought the proceedings to a halt with their cries of "AWB, AWE".

Community singing was followed by a poetry reading and Professor F J M Potgieter of Stellenbosch gave a sermon on the evils of communism.

Then there was a ceremony in which 40 stones were laid in a cairn to commemorate the "heroic deeds of Afrikaners of the past".

There were jeers when two South African Defence Force helicopters flew overhead, one trailing a South African flag and the other what appeared to be an SADF banner.

The first speaker was leader

of the Conservative Party, Dr Andries Treurnicht, who said the Afrikaner nation had come to a crossroads in its history. "We have a choice between self-determination in our own state or black domination in an integrated country."

"We will fight for white authority and to establish our own white fatherland."

"We want not domination but freedom, not integration but self-determination."

Hard core

HNP leader Mr Jaap Marais said those present at the monument represented "the hard core of Afrikaners who refuse to give in."

"We will fight as our forefathers did. The march of the Afrikaner people has begun."

Mr TerreBlanche said conservative Afrikaners were the true freedom fighters because they were doing battle for the honour, self-respect and sovereignty of their nation.

"We are committed to keeping what is ours. This is our promised land and we cannot give it away — nor do we have the right to. We are the reality of Africa, we live here and we will rule our fatherland alone."

Professor Carel Boshoff, who heads the Afrikaner Volkswag, said the monument showed that the Afrikaner nation prized freedom above everything else.

Transvaal Separatists Make Presence Felt

Johannesburg THE STAR in English 2 Jun 86 p 13

[Article by Sue Leeman]

[Text]

A group calling itself the "Transvaalse Separatiste" (Transvaal Separatists) made its presence felt at the rally by handing out pamphlets calling for resurrection of the old Transvaal Republic.

The leaflets also exhorted Afrikaners to recognise the Transvaal, the Orange Free State and Vryheid as "the promised land".

In many of its aims, the movement does not differ substantially from the Afrikaner Weerstandsbeweging, with its concept of a "Boerevolkstaat" or the Oranjerwerkers Unie.

However, the movement makes particularly strong demands for a separate Transvaal Republic and calls on conservative Transvaal "Boere"

to elect the independent candidates to seats which can then be incorporated into the new republic.

The Transvaal "Boere", the organisation maintains, could once more rule themselves from the old Raadzaal in Church Square.

The organisation takes a hard line against:

- "Party political propaganda", which it sees as a "monster" and a heritage from the British imperialist system.

- The term "Afrikaner", because this was forced on the nation by party politicians.

- The South African flag, choosing instead the Vierkleur — old flag of the Transvaal Republic — as its banner.

/9274

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SOUTH AFRICA

MOST BLACKS SAID TO SUPPORT DISINVESTMENT

Johannesburg THE STAR in English 7 Jun 86 p 2

[Article by Jo-Anne Collinge]

[Text] Total or conditional disinvestment is supported by most of the "political mainstream"--followers of the African National Congress, Bishop Desmond Tutu, the United Democratic Front and other radical groups who want not only democratic political rights but also a new "more or less" socialist order.

This is the conclusion of researcher Mark Orkin, director of the Community Agency for Social Enquiry (CASE), whose book "Disinvestment, the Struggle and the Future," is to be published by Ravan Press this month.

It investigates the attitudes of 800 black people to various disinvestment options, producing results which "send a rocket right through the position" of those quoting earlier studies which concluded that most urban blacks rejected disinvestment.

The CASE study found that:

--24 percent supported total disinvestment.

--49 percent supported conditional disinvestment, bringing to 73 percent the number who supported disinvestment in principle.

These findings stand in sharp contrast to the results obtained by both Professor Lawrence Schlemmer in 1984 and the London SUNDAY TIMES in 1985.

These two studies presented a confusing view, with the first claiming that 75 percent of black people rejected disinvestment and the latter that more than 75 percent wanted total disinvestment.

Mr Orkin says the CASE study got different answers because it posed the question differently.

"Disinvestment has to be conceived as a three-way, rather than a two-way, issue to be true to the actual distribution of black opinion," he writes.

And, he points out, this contention is confirmed by people's answers to a second question on whether they would stand by their views if they knew that jobs would be lost.

"A quarter of the respondents are 'hardline,' much as in the disinvestment question, and would advocate their position whatever the cost.

"A further quarter would sustain their stance if only few jobs were lost.

"The remaining half of the sample would be cautious if sacrifice had to be involved.

"Many respondents are looking to conditional disinvestment as a strategy to help end apartheid.

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SOUTH AFRICA

SATHS COOPER DISCUSSES NATIONAL FORUM'S STRUCTURE, OPERATION

Johannesburg WORK IN PROGRESS in English May 86 pp 20-24

[Interview with National Forum Convenor Saths Cooper and Publicity Secretary Lusiba Ntloko, by Susan Brown; date and place not given]

[Text]

What is the National Forum - an event or an organisation?

The NF is an alliance of organisations of the left, which are all socialist. There is no other common factor. It is not an affiliate structure. A wide range of allied groups attend the forums we hold at least twice a year. They are occasions for analysis and taking ideological positions: one forum produced the first complete internal response to the Nkomati Accord, for example.

At the first national forum in 1983, a wide range of opposition tendencies was represented for the first time, from Black Consciousness and Africanism to workerists and Charterists. This diversity remains: the NF now has Black Consciousness groups like AZAPO; Africanist groups like Azanian National Youth Unity; extreme class-analysis positions like that of the Western Cape Youth League; and non-racialism as represented by some Cape Action League affiliates. There are groups which place the nationalist struggle above the class struggle, and there are labour groupings as well. The Azanian Manifesto sets out the principles of this alliance.

Ultimately, the NF is not an

organisation, but a forum - by our nature we must assume organisational limits to our activities. There have been calls for the NF as such to undertake co-ordinated action, but it cannot be done because of our alliance nature.

What are the NF's present relations with the UDF?

The March 1985 national forum in Durban was the first at which no representatives of UDF affiliates were present. The National Education Crisis Committee (NECC) meeting on the same weekend, which the UDF hierarchy attended, did not fall on the same days as the forum.

The reason the UDF stayed away this time was, we think, its leaders' belief in its exclusive authority, its sole representativeness and its general push for hegemony. UDF leaders see themselves as in a state of internecine warfare, an attitude which has led to the violations of democracy exemplified by violent attacks on AZAPO, particularly in the Eastern Cape.

This attitude represents a misunderstanding of the democratic process - people in South Africa have

for so long been victims of lack of democracy that they regard anything but collective conformity to a line with suspicion. When groups which share many of the same aims do speak up in debate, suspicion arises. But the NF does not believe in a one-party approach; its genesis and basis is non-sectarian.

What is your evidence for these criticisms of the UDF?

A major recent instance: the NF, the Azanian People's Organisation (AZAPO) and various student, community and educational bodies' representatives initiated the preliminary meeting on 11 December which resulted in the Wits education crisis conference at the end of December last year.

In trying to co-operate with UDF bodies there, we found throughout that, when it came to the question of organisational representation, non-UDF bodies were under pressure: our numbers of delegates were eroded, decisions were taken in our absence without our being notified of the meetings, and in one case when a meeting was called, none of the UDF organisations showed up. At Wits, motions already passed had their wording quietly altered. Continual violations of even formal democracy were constant in an effort to control and exclude any but UDF interests.

The Easter national forum resolved to attend the NECC meeting collectively to present our objections - but when we learned that delegates had been attacked by Inkatha impis, we changed our minds and stated our solidarity instead, since we did not want our challenge to be identified with Inkatha's attack.

If your accusations about UDF practices are accurate, why should an outsider not see NF and UDF leadership as intellectual groups competing for constituencies and power?

Our tendencies are very different from those of the UDF. We reject the coercive

conformity of much of the UDF's practice, and base ourselves on the right to review and criticise. We feel it is positive, for instance, that the Azanian Manifesto may be changed and developed, rather than remaining rigidly static.

Other than rhetorically, how does the NF differ from the UDF?

Our practice is essentially different: it is socialist in principle. Full democratic participation in all joint decisions is basic. That is why we hold the regular forums. And the right to criticise leadership is inherent - something the UDF claims but does not permit. We have no secret cabals which take decisions behind closed doors to impose on constituencies, as they do.

The NF central structure does not intervene in the activities of its local organisations in the way the UDF top hierarchy does. We supported the national May Day call because we were asked by our constituents to do so, but regional programmes will differ as local organisations decide. We believe that local organisations need to be strengthened in their operations rather than weakened by dominance from the centre.

The NF central structure is designed to provide theoretical input, to enable analytical conclusions to be hammered out and agreement reached on minimum programmes for local organisations to undertake. If representatives of NF constituent organisations cannot agree on policy at a forum, the issue will fall away, though this has not happened to date. We take concerted action only when consensus has been reached. Our detractors often refer to us as a loose alliance, meaning an insignificant one. But we are loose only in the sense that we are democratic.

Our decisions are taken in open public debate. At the last forum, for example, we agreed to discuss the national crisis, and local groups put forward

specific issues for the agenda. Issues then raised were those of the national convention, education and disinvestment. For example, once Action Youth put forward May Day action as an issue for forum discussion, various NF area committees sounded out constituent organisations. They are all notified of the agenda - on paper if possible, by telephone if time is short. But representatives at the forum itself cannot lobby for a draft resolution before the debate, because that would be undemocratic.

Recently the NF seems to have tried to offer an olive branch to the UDF.

We never severed relations with the UDF. But we hold to the right to criticise their or anyone's practice and principles, in order to crystallise those areas that we have in common, and in the process of joint action, to develop a basis for unity in struggle.

We see the outcome of this as particularly urgent now, after more than a year of internecine black-on-black violence. Our interest in unity or co-operation is not because we see ourselves as being sidelined; unlike the UDF we have not striven to maintain a high media profile, with national publicity campaigns around the issues we undertake. We prefer the publicity to go to the credit of organisations in the field.

What is your attitude to the proliferation of local-level street and area committees and people's courts, often run by UDF affiliates?

We support development of strong people's organisations, whatever their affiliation, as long as they do not serve the ruling class. But we are dubious of coercive measures which weaken the image of resistance in the communities. Rather than force, there should be a process of conscientisation. Popular leaders are supposed to be

representative, and if they use coercive tactics it lessens the appeal of the struggle among the masses. Activists should not make people lose hope and faith in the harbingers of freedom.

What does socialism mean to the wide range of NF organisations which espouse it?

We have no models, in that we do not espouse the Soviet or Chinese or any other existing system, though other struggles may provide pointers. Rather we see the move towards socialism as a process of dealing with specific local problems and issues on a principled basis. Because the NF is coherent as to its goal, it can tolerate differences in approach, tactics and strategy.

The NF is often accused of being dominated by intellectuals, and as such cut off from the grassroots.

Many of our leaders, like the UDF's, are intellectuals. The issue is whether they represent the interests of their constituencies, especially working-class interests. People like the Council of Unions of SA's Phiroshaw Camay and the Azanian Confederation of Trade Unions' Pandelani Nefolovhodwe are in a sense intellectuals, but represent workers' interests.

The question is not so much the class origins of activists, as the structure within which we operate, and the degree to which it furthers an alternative South Africa. For example, in a number of cases where NF officials have been criticised by grassroots membership, they have been dumped, and indeed some left voluntarily. Officials are accountable and recallable.

What then do you mean by your repeated assertion of the importance of working class leadership?

Intellectuals can maintain working-class leadership, when they are strongly

linked to a working-class constituency and act only on a real mandate. It is possible to have organisations with predominantly working-class membership which do not express basic working-class interests - Inkatha's union, UWUSA, is an example. While the majority of its members will be workers, it will nonetheless work for capitalism.

But is it not Stalinist to assume that a group of activists may be more accurately attuned to workers' real interests than workers themselves?

You would not be able to get a worker to say that it is right that he be exploited to make a boss rich. But any group can be manipulated against its interests, and that is why it is so important to allow the real interests of our constituency to emerge through open debate and democratic structures.

We are engaged in practical education work to instill socialist consciousness, working with student representative councils and parent-teacher associations. We are active in support work for unions. It is not our job to provide worker education as such, that is for the unions, but we contribute to cultural events, and of course have members involved in union organisation. Our labour connections are not limited to CUSA and AZACTU, though in the prevailing climate others avoid unequivocally aligning themselves with us.

We have black students' study projects, and the Cape Action League is active in high schools with its affiliate, Students of Young Azania. AZASM has its Black Students' Study Project. We are concerned with developing alternative education as well, though hampered by limited resources, since we get no outside funds.

Our programmes are not just discussions and workshops. We also

undertake house visits, to find out what is uppermost on people's minds. If rent is an issue, we canvass people's opinions - rather than telling them: 'Our leaders say you must boycott'. In the last couple of years stayaway and boycott tactics have been overused and sometimes abused. Such calls may be forced on communities with no thought of the strain on people's resources in terms of jobs, money and safety. And with coercive measures to ensure conformity, there is no openness to alternative suggestions.

But what of your call for action on and after May Day and between 16 and 26 June?

This is not a call for boycott, but rather a call for local organisations to undertake concerted action within their existing programmes for those periods. We do not believe it will collapse the state - it is a long march to social change. Action cannot always be at peak intensity; that is why a period of strongly focused activity is a way of highlighting the power of the people, and at least affecting the government power base. In those periods, we want organisations, NF and outsiders, to get together to seek unity and cohesiveness.

With its stress on theoretical and analytical inputs, it could appear that the NF conceives itself as a vanguard party.

It is a perception that can easily arise, and perhaps that is why the Charterists feel threatened. But we do not have the organisational structure to constitute ourselves as a vanguard party. Realistically, we are limited to acting as a catalyst on principled activists to bring people together.

We cannot say that in the course of time some kind of vanguard organisation might not evolve from the NF, but we cherish no ambitions to claim authority as a sole representative of the people.

If a new vanguard socialist party were to emerge which encompassed the principles in the Azanian Manifesto, we would be overjoyed.

Surely the stress the NF lays on conscientising contradicts its socialist position, in that it implies an idealist rather than a materialist approach?

Conscientisation is not a matter of theoretical input only, but involves practical action and a challenge to existing social relations. We have programmes that follow through during the intervals between forums. Certainly we stress the need to raise people's consciousness - especially when the alternative is coercion - to enable them to perceive the best strategy needed to realise their objective interests. But our programmes and organisations have a real and material existence. We are concerned to combine theory and action, rather than to have action without principle.

It is unfair to see the NF as engaged merely in debate without involvement in struggle and action. And in fact, if our constituent groups are not practically active, why are they subject to attacks

from competing groups? It is fear. And that is why other groups are reluctant to share a platform with us in debate as well.

The Easter forum produced a pungent denunciation of a national convention. But why do you consider the issue a live one at present?

That forum dealt with aspects of the national crisis, specifically considering the issue of a national convention, which we perceive to be a centrist tactic to hijack the struggle. Mandela himself is on record saying that the time for a national convention has passed.

But people like Van Zyl Slabbert are now seeking to re-establish credibility in resistance circles. Such operators, we believe, hope to make inroads to dictate the structure of the struggle, to skew it towards being merely an anti-apartheid issue. We feel the point of departure for the struggle must be fundamentally anti-exploitation and anti-capitalist. The Botha reforms could result in a national convention sellout, and this must be guarded against.

/9274

CSO: 3400/1960

SOUTH AFRICA

THRIVING HOMES BUSINESS DEVELOPING IN SOWETO

Johannesburg THE STAR in English 3 Jun 86 p 16

[Article by Frank Jeans]

[Text]

While the white residential property market remains sluggish, a comparatively thriving homes business has been established in Soweto as more and more residents break away from the 51/6 shacks concept.

Almost 700 houses were resold in the township between April 1985 and March this year and some prices went as high as R80 000 or R90 000.

The majority of the resales, however, were in the R15 000 to R20 000 range and covered houses which have been upgraded from the 51/6 and 51/9 core structures.

Sellers have taken advantage of the favourable discounts under the "Great Sale" by the Department of Constitutional Development and Planning, when homes were bought for as little as R1 500.

All the homes were bought and resold under 99-year leaseholds.

"Many sellers have used the profits from the sales to build new homes in upmarket suburbs such as Protea North and Diepkloof Extension," says a spokesman for the West Rand Development Board.

"Other homeowners are seeing home improvement as a means of uplifting their lifestyles in the short-term and acquiring far more prestige homes in the longer term."

Resale volumes are likely to rise as more and more Sowetans

take advantage of the situation and as local estate agents become more active.

This, in turn, must provide a much needed boost for Sowetan building contractors.

"There are more and more blacks coming into the real estate business as agents," says Mr Alex Weiss, co-ordinator of the "Great Sale" and assistant director in the department.

"In the Soweto resale and secondary market, the normal commission rates are charged by the agents and once full ownership rights are granted, there will be the usual transfer and bond registration fees as is the practice in the white market."

That is why that at this time it is wise for the blacks to buy their properties now under leasehold and at considerably lower outlay.

It is understood that white and black estate agents operating in the township marketplace charge the same five percent commission rate on sales in the secondary market.

SOUTH AFRICA

BLACK COMMUTERS TO GET CITY CENTER BUS STOPS

Johannesburg THE STAR in English 30 May 86 p 8

[Article by Shirley Woodgate]

[Text]

Thousands of black commuters who have to walk to work from the outskirts of Johannesburg's central business district could get city centre bus stops next month.

Outlining the Johannesburg Chamber of Commerce campaign to upgrade black transport in the city, the president Mr Pat Corbin, said that at present about 118 000 peak hour passengers from Alexandra, Soweto, Tembisa and coloured townships are allowed to travel only as far as the termini on the perimeters of the central business district.

MUST WALK

From there they must walk to their work in the central business district, adding a further 10 to 15 minutes and 1½ km each way to their daily trips.

Black bus routes go through the city along Bree, Jeppe, Sauer and Simmonds Streets but passengers are not allowed to get off en route as no stops have been allowed.

The present stops are at Westgate, Faraday, Doornfontein, Bree, Jeppe,

West and Noord streets (see diagram).

"With opening of the CBD it is totally unacceptable that there should be no black stops in the city and we firmly believe there should be equity for all. All commuters must be given a fair deal without delay," he said.

"This is also one of the issues raised by the boycotters, and there is no defence," Mr Corbin said.

The JCC has the support of the Department of Transport, the Transportation Board, and the City Council.

At least two banks — Barclays and Standard — have offered their complete co-operation in having stops sited nearby.

Mr Corbin said once the stops had been allocated, the next objective would be getting new routes through the city.

He mentioned Market, Commissioner and Main Streets and the possibility of using the under-utilised facilities at Van der Bijl Square.

Alongside these issues the JCC was also addressing the matter of black taxi ranks, he said. Proposals for five ranks in the CBD had been put to the council.

/9274

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8 July 1986

SOUTH AFRICA

FRONT RUNNERS IN BOTHA SUCCESSION RACE DESCRIBED

Cape Town WEEKEND ARGUS in English 31 May 86 p 14

[Article by Bruce Cameron]

[Text]

THE political fight to become heir to President P W Botha is warming up. And not only is it accentuating divisions within the National Party but also placing a question mark over the pace of reform.

It is widely accepted in Nationalist circles that President Botha will step down by the next general election, due in 1989.

As a result, the in-fighting between Cabinet contenders and their supporters appears to already be at a high pitch.

Claims are being made about decisions being taken to put some contenders at a disadvantage while improving the chances of others.

The position is being exploited to the hilt by the Conservative Party which is putting out a deluge of rumour to sow further dissension in Nationalist ranks.

The whispering campaigns within the National Party cover everything from personal attacks through to the divide over the pace of reform. The manoeuvring appears to be affecting such diverse issues as the Commonwealth Eminent Persons' Group and appointments on Afrikaans newspapers.

The rumours and speculation even go on in Government circles as various Cabinet Ministers line up against each other. Hints of the back-biting are "leaked" by political supporters as well as by officials who would obviously have a stake in one of their bosses getting the top job.

THE front runners in the Presidential stakes at this stage are Foreign Minister Mr Pik Botha, Minister of Constitutional Development Mr Chris Heunis, and Transvaal Nationalist leader Mr F W de

Klerk. The Minister of (black) Education and Development Aid, Dr Gerrit Viljoen, is regarded as an outsider.

The three main contenders are each marking out distinct areas within the Nationalist ideological spectrum.

Mr Pik Botha's is that of rapid reform and the virtual total scrapping of apartheid; Mr Heunis, as the present main architect of reform, is moving into the middle ground; and Mr de Klerk is on the right, giving the appearance of not wanting to be sullied by the reform programme.

There are genuine differences on important issues such as the release of Mr Nelson Mandela, the unbanning of the ANC, the scrapping of the Group Areas Act, the continued accent being placed on ethnicity, and the forays of the Defence Force into neighbouring countries.

Also, some Ministers and their supporters are starting to question how others are doing their jobs. One instance was the unprecedented public condemnation of the police by the Minister of Manpower, Mr Pietie du Plessis, after the Nationalist-conservative battle of Pietersburg.

Before this, senior Government officials admitted privately that the Conservatives had a strong following within the police force. And more covertly they criticised Law and Order Minister Mr Louis le Grange for not exercising stronger control over the police.

The position has further led to private warnings to the effect that unless reform is properly controlled, there could be a real threat of a coup engineered by some politicians with the assistance of elements of the police as well as the army.

PRESIDENT Botha's style of government has added to the turmoil, with supporters of the contenders often claiming that their candidates don't necessarily have a say in decisions.

For example, some of Mr P. W. Botha's supporters have attempted to distance him from the recent triple-hit at ANC bases in neighbouring countries, claiming he had no direct say in the decision.

In this instance there appears to be some support for the claim as President Botha twice emphasised he took personal responsibility.

Questions are also raised about why the announcement of positive reform moves is so often closely followed by announcements that cause international concern.

One glaring instance was the introduction of the controversial Public Safety Bill establishing "unrest areas" on the day that influx control was scrapped.

And then there is the manoeuvring of a more party-political nature.

For instance, accusing fingers were pointed at Mr de Klerk, as Transvaal Nationalist leader, for "setting up" Mr P. W. Botha and the verligte Mr Piet du Plessis in the Pietersberg fiasco.

He denies his absence was deliberate. He himself is due to speak at a meeting in Brits, where another Nationalist meeting was broken up by the AWB their CP

allies.

Unsubstantiated claims have been made about "certain right-wing Cabinet members" being behind the forced resignation of Mr Harald Pakendorf as editor of the Vaderland. Mr Pakendorf and Mr P. W. Botha were closely associated.

Mr Botha has become increasingly isolated within the Cabinet since his comments about a future black President. Claims are made about pressures on Mr P. W. Botha from within his Cabinet to reprimand his Foreign Minister.

MR P. W. Botha also appears to have had his wings clipped over the EPG, with some of his colleagues drawing in the reigns on the group's mediating role.

There are even stories put about that he could be given a low profile position in the Cabinet or possibly even be dumped.

But the Foreign Minister does maintain a solid base within the Nationalist caucus.

It is hinted that if either Mr Botha or Mr de Klerk wins a Presidential election, it could cause a sundering of the ruling party and a realignment of white political forces.

The difficult part of what is going on at the moment is determining what is truth and what is propaganda. But without doubt, there are deep underlying tensions in the National Party from the Cabinet to grass roots, caused mainly by the reform programme.

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SOUTH AFRICA

CORRESPONDENT NOTES TERREBLANCHE'S 'FASCIST' TRAPPINGS

Cape Town WEEKEND ARGUS in English 31 May 86 p 14

[Article by Andrew Beattie]

[Text]

EUGENE Terre'Blanche and his Stormvalke are cutting through their indignant opposition like a red hot poker through butter...

During the past month, the rampant Afrikaner-Weerstandsbeweging (AWB) has successfully disrupted public meetings held by five cabinet ministers in the Transvaal and Orange Free State.

Afrikaners, disillusioned with the Government's reforms, and magnetised by the charismatic Terre'Blanche, are reportedly signing up with the movement in droves. The AWB has claimed that if a general election were held tomorrow conservatives in the right-wing camp would defeat the National Party — a view shared by academics researching the field.

Inevitably, the ultra-right leader's apocalyptic speeches and the symbolism, salutations and insignia adopted by his para-military followers, have evoked comparisons with the brand of fascism that was exterminated in Europe over 40 years ago.

Most historians have said Hitlerian fascism could never happen again.

One such historian was Dr Otto Ernst Schuddekopf, an intelligence officer under the Third Reich who later joined the anti-fascist resistance.

He wrote: "The appearance of a charismatic leader as the saviour of the despairing masses is an essential feature of these fascist movements that achieved any political significance." The Führerprinzip, or authoritarian single-handed leadership by the most able person, was central to this ideology.

THE "driving forces" of fascism, wrote Schuddekopf, were nationalism, militarism, extreme racialism and the use of terrorism as a principle in internal and foreign affairs. The concept of "war" was a "true element" of fascism, and it was used chiefly or ostensibly against the perceived threat of communism.

It was prone to arise as an instrument of oppression where other less harsh forms of oppression had failed and where "liberalism" could be blamed for a degenerating political situation.

"Fascism," he said, "was a desire to go back in time — to escape from the drab present to a far-off world of antiquity." Utilising deep-set feelings of nationalism, the fascists mythologised their history to manufacture a new idealism in the laboratory of peoples. The use of symbols, like the swastika, and occult-like rituals, was uncannily important in achieving this end.

The use, or rather abuse, of Christianity in furthering ideological goals was something Hitler did not ignore. Before he openly declared himself an atheist, Hitler proclaimed the benefits of "positive Christianity". In this, wrote Schuddekopf, Hitler meant the church should be subordinate to the Nazi state: "Jesus could not have been a Jew but was elevated into an Aryan demigod" in the religion of Nazism.

Terre'Blanche has rejected any comparison of himself with Hitler. Rather than professing atheism, he invokes The Day of the Vow as the day the Afrikaner nation made a covenant with God. He hailed his movement's disruption of Minister Pik Botha's meeting in Pietersburg as a sign that the vow made between the Afrikaner nation and God after the Battle of Blood River still stood.

LAST year when Dominee Nico Smith called for the abolition of Day of the

Vow celebrations and said that the Boer victory against the Zulus on December 16, 1838 was no divine miracle, he was labelled "treasonous" by the AWB.

In 1979 a similar call by Afrikaner academic Professor Floors van Jaarsveld resulted in him being tarred and feathered by AWB members.

In 1981 Terre'Blanche, speaking at the Day of the Vow celebrations, said the Government's tricameral reforms would lead to the "anti-Christ praying with whites".

Terre'Blanche, a former policeman, received a suspended sentence for illegal possession of firearms, in 1983. He has denied that he would take up arms to overthrow the Nat Government, but his attitude to the threat posed by black aspirations has been less carefully couched. His threats of another Blood River, made after the successful hijacking of the Nat meeting in Pietersburg, amounted to a glorification of racial war.

But while the philosophies of the Great Trek may have a historical consistency and significance for the Afrikaner, Hitlerian salutes and blackshirted bodyguards sporting three-armed swastikas do not. Unless one stretches history somewhat...

Besides the blatantly Nazi overtones of Terre'Blanche's tirades and the overtly militant symbolism evident in the Pietersburg putsch, there is a prevalent apathy in white South African society that makes it a fertile breeding ground for fascism.

But don't worry about Mr Eugene Terre'Blanche, he's no fascist. Despite all the talk about Blood River, the uitlanders and international Jewry, the koelies and the kaffirs, he doesn't hate anyone. So he says. He's just doing it out of love for his own volk.

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SOUTH AFRICA

LABOR PARTY MP ENVISIONS INDABA FOR WESTERN CAPE

Durban THE DAILY NEWS in English 30 May 86 p 9

[Text]

CAPE TOWN: Could a Western Cape indaba be one of the next steps in the working out of a federal solution for South Africa?

The Labour Party's young constitutional thinker, MP Mr Desmond Lockey, recently returned from observing the Natal indaba "very impressed" by what he saw.

"If the indaba agrees to a single legislature, which I think it will, it could be the start of the first real non-racial federal structure in South Africa.

"And then we could start with a Western Cape indaba along the same lines."

This would be a departure from the constitution of the Labour Party, which stipulates a one-man, one-vote unitary system, and Mr Lockey emphasises he is speaking in his personal capacity.

But the party itself has, in any case, been toying with the idea of a non-racial geographic federation for some time now.

And in a pamphlet on constitutional options, it takes a new look at some ideas which have hitherto been taboo to it.

"It is a known fact that South Africa's heterogeneous and multi-cultural character will have to be taken into account in the formulation of an acceptable, democratic and workable constitution," the pamphlet says.

It rejects the group approach but is prepared to accept that seen from the historical perspec-

tive, the protection of minorities is a reasonable point.

Mr Lockey was one of the chief authors of the pamphlet and he does not rule out the idea of ethnic states in the hypothetical federation.

"The crucial point is that the states should get together themselves — as in Natal — and not have their boundaries and composition forced upon them by central Government."

Mr Lockey's own thinking is that there should be room in the federation for both unitary states on the one hand, and and ethnic/nationalist states on the other.

"We should get away from the existing polarity of liberal and nationalist approaches.

"The problem with the National Party is that it argued that all blacks can be classified ethnically.

"But 70 percent of urban blacks indicated in a recent survey that they did not identify with any tribe.

"They saw themselves only as South Africans.

"Since it is also in the cities that one finds whites who are less inclined to be tribal, metropolitan states in the federation could be unitary," Mr Lockey says.

"In the rural areas, on the other hand, ethnic identity is much stronger among both blacks and whites, so there one would find ethnically-based states.

"Many of the black national state and self-governing structures are already in place, and

could form the basis of future federal states."

But what of tribal whites? Will they have a white homeland or homelands — as suggested by some ultra-conservative groups?

Mr Lockey, rather surprisingly, says Yes. "I think we should look into the possibility of a white homeland where those whites who are not happy living with others, can go.

"The difference is that since those white conservatives only represent about three percent of the population, they will only get about three percent of the land."

On the other hand, Johannesburg and Soweto could together form a unitary state, he says.

And so could the Western Cape, where whites are generally fairly liberal and where there is the greatest concentration of coloureds who do not fit into any Nationalist ethnic mould.

The proposed third-tier regional service council for the Western Cape could develop into the second-tier state for this region.

"The Labour Party forced 70 amendments to the Bill, most of them aimed at strengthening the position of coloureds who will now enjoy equal power with whites."

He emphasises he is not talking about a coloured homeland.

"The majority of so-called coloureds will only be satisfied with a true democracy, even if this means counting themselves out as a major force in a new constitution for South Africa."

SOUTH AFRICA

MORE BLACK PARTICIPATION IN COURTS SEEN NECESSARY

Johannesburg BUSINESS DAY in English 28 May 86 p 6

[Commentary by Radford Jordan]

[Text]

ACCORDING to a recent survey, 80% of blacks in SA perceive the capitalist system as one which does not benefit them. It seems likely that a similar percentage have an unfavourable, or at least a negative, perception of our courts and that even very substantial changes in the administration of justice would not change this, at any rate in the short run.

The Hoexter Commission, which made the most thoroughgoing investigation ever of the working of our courts, touched on their impact upon blacks at important points.

It could do no more than this because its terms of reference took no special account of blacks as such; they related to questions like those of reducing legal costs and making court proceedings quicker and more efficient.

Change in these directions can hardly fail to benefit blacks and, indeed, the small claims courts which have come into existence in response to the Commission's recommendation will probably be of even greater advantage to them than to others.

This is equally true of a number of other changes recommended by the Commission.

It drew attention to the need for basic reforms of the system of legal aid. This should be controlled by the legal profession itself and not by public servants.

The Commission noted that a very small proportion of those who obtained legal aid were Africans, and it clearly hoped that this would change if legal aid were no longer seen as linked with the state.

Here the Commission's thinking seems potentially to challenge the very idea that, what is termed in section 68 of our constitution, "the judicial authority" should form part of the state: should not the business of judging be, if not privatised, at least professionalised in the sense that those who practise it should form a completely self-governing body, as do advocates and attorneys?

That the Commission was willing to go some way in this direction is shown by its recommendation that those magistrates who preside over court hearings should cease to be members of the public service and should have exactly the same degree of independence as judges of the Supreme Court.

Unfortunately, the formal independence of those engaged in judging will not come across to the ordinary black until the judicial authority is given a law-making power to enable it to check police action to defeat the ends of justice.

This is especially true as regards the treatment of persons in detention.

Here are some of the steps which a law-making judicial authority could take to safeguard detainees:

- ☐ It could lay down a presumption that a detainee who dies or suffers injury in detention has not committed suicide or been self-injured;
- ☐ It could make rules which entitled it to appoint persons of suitable standing as visitors to detainees, with the same right of immediate access to them as the judges themselves now have; and
- ☐ It could give a similar right of immediate access to a lawyer or doctor selected by the detainee's next-of-kin.

If these steps were taken and proven to be effective in protecting detainees, this would go a long way towards giving blacks a more favourable perception of the courts.

For although it may be desirable that blacks should have more rights, it is essential that the rights which they already possess in theory should be given effective protection in practice; from their point of view a Bill of Rights, such as Minister of Justice Kobus Coetsee is prepared to consider introducing, is not the top priority.

The Victorian lawyer A V Dicey rightly pointed out that British freedoms were better secured by the citizen's right to obtain specific remedies from the courts than were the theoretical liberties enjoyed by Frenchmen under the Declaration of the Rights of Man and the Citizen of 1791.

So far everything that has been said in this article relates to how blacks perceive the working of the courts, as if in the very nature of things blacks have a passive role in relation to these — that of receiving what the courts hand down to them.

No less important is the making of provision for blacks to participate actively to an increasing extent in the work of the courts.

Here the Hoexter Commission's heart was clearly in the right place, for it recommended the appointment of blacks as magistrates — the kind of magistrates who hear cases in court; moreover, it called, as has been noted above,

for a more independent status to be given to all such magistrates.

In making this recommendation the Commission did not have as its aim a greater degree of black participation in the work of the courts as such; it simply argued that the white population did not produce enough people suitable for appointment as magistrates.

Moreover, the Commission stopped short of discussing the appointment of blacks as judges of the Supreme Court and opposed the promotion of magistrates, whether black or white, to judgeships.

There would in any case have to be a considerable relaxation of the tensions and conflicts that now rack SA society before any black of suitable qualifications and standing would be likely to accept a Supreme Court judgeship.

The Hoexter Commission quoted at some length from a memorandum submitted to it by the Johannesburg Bar Association giving reasons why leading advocates had in the past refused offers of judgeships.

These advocates had felt misgivings about legislation which obliged them to impose minimum sentences for certain offences and about the necessity to impose death sentences in certain cases.

They also felt misgivings about the reliability and efficiency of police investigations of crime and the preparation of cases and about legislation which made it difficult for a court to investigate matters of this kind effectively.

Last but not least, objections were felt to the existence of legislation considered basically offensive to Western nations — clearly a reference to statutory apartheid.

Every one of these sources of misgivings could hardly fail to stand in the way of acceptance of judicial office by a black of suitable standing.

Can there be any clearer indication of how long and stony will be the road leading to full black participation in the work of the SA courts, such as is needed to bring about a radical change in black perceptions of these?

SOUTH AFRICA

GOVERNMENT'S COLOR CLASSIFICATION CRITICIZED

Johannesburg THE STAR in English 4 Jun 86 p 15

[Article by Bruce Cameron]

[Text]

CAPE TOWN — Every now and then the National Party is left with its slip showing.

And no matter how hard it attempts to pull down the skirt of carefully divided colours, the slip that defies colour description keeps peeping out — much to its embarrassment.

For 38 years the National Party has been telling the world that by separating the various colours it governs it is protecting their individual cultures and traditions.

There have been two bad displays (for the National Party that is) of that slip recently.

The first is the story of the creation of the "ethnic" state of KwaNdebele for the Ndebele people.

The problem is the Government can't find enough Ndebeles to make up the citizenry of an independent state.

So, willy nilly, not only have south as well as north Ndebeles been given their very own homeland but to swell their numbers their fellow "ethnic" citizens will be Xhosas, Swazis, Shangaans, Sothos (both North and South by Government definition), Zulus, Tswanas and even some Vendas.

NO CHOICE

By the stroke of a pen in Pretoria they will all become citizens of a fledgling state of Ndebele people.

And they won't even be given a choice whether they want to claim their "ethnic right to independence".

That slip is also making a mockery of the complex "own affairs" tricameral system of Parliament.

The Government created three houses, each with its own department of cultural affairs and claiming that each had a cultural base.

There is the white house with people of English, Afrikaans, Jewish, German, Scots and even Lithuanian descent falling under "white culture".

Then there are Afrikaans- and English-speaking members of all types of descent with various religious affiliations from Muslim to Christian falling under "coloured culture".

There are the Muslims, Hindus, Tamils and others who are the "Asian culture".

Quite what the definition is of these three separate cultures the Government has yet to inform the country.

Recently in Parliament Mr Roger Burrows, Progressive Federal Party MP for Pine-town, attempted without success to determine what "white culture" was. He believed there was no such thing.

There was, he accepted, an Afrikaans culture, a Zulu culture, a Hindu culture, a Jewish culture and even an English culture.

He urged the Government to move away from the racial basis of education to a proper cultural basis.

HARM

The Government had divided education not on cultural grounds, as it claimed, but on racial grounds.

Mr Burrows warned that the retention of racial own affairs would in fact harm cultures such as the Afrikaner culture as they would be mixed with others.

Minister of Education and Culture Mr Piet Clase did not reply to the issue in the debate and when approached later did not attempt to justify or define white culture. He simply had "no comment".

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SOUTH AFRICA

WITWATERSRAND VIOLENCE SEEN MIRRORING STRIFE IN TOWNSHIPS

Johannesburg THE STAR in English 3 Jun 86 p 13

[Article by Susan Fleming]

[Text]

Last week was a dark one in the history of the University of the Witwatersrand — the police invaded the campus on three successive days, 50 students and academics were arrested, and more than 40 people were injured during police action.

The violence at the traditionally white university has shocked parents, academics and students. Student leaders and the administration believe it is a mirror of events in the townships.

"The events of last week must not be seen in isolation. They are a spill-over from what is happening in the townships," said the president of the Black Students' Society (BSS), Mr Dali Mpofu.

VIOLENT DAY

The most violent day was last Friday when repeated clashes occurred between students, academics and the police. More than 40 people were injured and 48 arrested after they had attempted to march to the Hillbrow police station to demand the release of a fellow student who had been arrested the previous day.

The students were released on Saturday after an urgent application to the Rand Supreme Court by the deputy vice-chan-

cellor of student affairs, Professor Mervyn Shear, for their release. The students were charged yesterday under section 57 of the Internal Security Act for being part of an illegal gathering. The case was postponed to July 9.

According to Mr Mpofu, about 2 000 students had voted that a delegation be sent from the campus to deliver the views of the students to the police.

"The march was intended to prevent the police from coming on to the campus. But what we had tried to avoid happened anyway and the police invaded our campus," he added.

Student leaders and academics have deplored police presence on campus. But the police action has served to politicise students.

"After seeing the police beat up fellow students, how can we show any support towards them? Their action has made students more aware of what is happening in our country," said a student.

A member of the Wits SRC, Mr Etienne Marais, commented: "It is very sad that it has taken such brutal police action to bring us together."

DETERMINATION

A past BSS president, Mr Firoz Cachalia, said the police

action on campus strongly indicated the Government's determination to "smash the democratic movement."

"This climate of repression is being shown on our campus. There are a large number of police informers on the campus and, as soon as we organise a meeting, the police come in to teach us a lesson and say: 'The powers-that-be will not allow protest on the campus.'"

Apart from confrontation with the police, there have also been repeated clashes between progressive students and the conservative Student Moderate Alliance (SMA) which has 80 signed-up members.

Last year friction between these two groups escalated to such an extent that an independent inquiry recommended that the SMA should not hold meetings on campus close to, or on, days which were sensitive to black students. These included Republic Day and Sharpeville day.

Police presence has widened the rift between the SMA and the progressive student movement. Verbal slanging matches have become commonplace on the campus.

A thorny issue at Wits has been that of spies and police informers posing as students. On Friday, an alleged police spy was badly beaten up by stu-

dents and, in March, a woman suspected of being a police spy was dragged to safety after several hundred students had chased and interrogated her.

"We cannot tolerate police spies on the campus. We know who you are and the BSS can no longer protect you," said Mr Cachalia at a recent student meeting.

DEPLORED

Several political groups have also deplored recent events on

Wits campus. The Progressive Federal Party has said it will set up a committee to monitor the situation at the university.

The leader of the PFP in the Transvaal, Mr Douglas Gibson, said he was appalled at the over-reaction by the authorities to the legitimate expression of opinion by students.

"The PFP is unhappy about the situation at Wits. Whether people like it or not, university students have the right to participate in political life," Mr Gibson said.

Several Clashes Involving Different Factions Have Occurred Over Past Year

Over the past year, the University of the Witwatersrand has experienced several violent incidents.

- May 31 1985: Members of the Black Students Society (BSS) hold an anti-Republic Day meeting. Student Moderate Alliance (SMA) members have a stand 75 m away from the BSS meeting where they issue free South African flag stickers and pro-Government literature. Security men battle for more than three hours to prevent head-on conflict between the two groups.

- August 13 1985: Police storm the campus following a student meeting to discuss the state of emergency and consumer boycotts. About 40 students are injured in the clash and eight arrested.

- March 19 1986: Black Student Society members break up a Student Moderate Alliance meeting to be addressed by Umtata.

- May 1 1986: A busload of Wits students returning from a May Day rally are teargassed by soldiers in Diepkloof, Soweto.

- May 20 1986: About 200 police converge on the campus and break up a meeting organised to discuss the SADF raids into neighbouring countries. The police arrest 13 people and several students suffer from sjambok weals and two are bitten by police dogs. There is also a clash between black students and SMA members who had set up a stand to commemorate the third anniversary of the Pretoria bomb blast.

- May 29 1986: SMA and BSS students clash. Police invade the campus and charge students several times. A student, Mr Ronnie Makgosi is arrested.

- May 30 1986: Police arrest 48 academics and students who attempt to march to the Hillbrow Police Station.

- May 31: A heavy police contingent breaks up an Education Charter Campaign meeting.

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SOUTH AFRICA

SHELL'S BLACK EDUCATION ROLE PRAISED

Johannesburg BUSINESS DAY in English 29 May 86 p 9

[Text]

NEW YORK — Shell Oil, target of a black boycott campaign in the US, has been praised by University of Cape Town (UCT) president Dr Stuart Saunders for its contribution to black education in SA.

Shell and other US oil companies deserved high marks for providing scholarships, he said in an interview with the *New York Times* at

the end of a six-week US visit in search of more scholarships.

In the past five years, UCT had graduated the first 70 black engineers, all through oil company scholarships. He singled out Shell Oil for a programme to place bright black

pupils in private schools.

Shell Oil, a subsidiary of Royal Dutch/Shell, was made the target of a boycott by the National Association for the Advancement of Coloured People (NAACP), which accused it of fuelling the SA military.

Students then made Shell a particular target for disinvestment.

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SOUTH AFRICA

LESOTHO WATER DEAL SAID HAMPERED BY ANC PRESENCE

Johannesburg THE STAR in English 2 Jun 86 p 13

[Article by Gerald L'Ange]

[Text]

The huge Lesotho Highlands project — which would assure the Vaal Triangle's future water supplies — may be threatened by a dispute over the presence of the African National Congress in Lesotho.

The dispute is believed to be the major cause of the delay in the signing of the treaty which would enable the R4 000 million scheme to go ahead.

South Africa is believed to be dissatisfied with the Maseru Government's response to its request that the ANC to be prevented from operating in or from Lesotho.

Official sources in South Africa have confirmed that the drafting of the final version of the treaty has been "inhibited by the ANC question".

Officials in both countries indicated in March that the treaty, culminating years of research and negotiation, would be signed within the next few weeks.

They intimated that the only major point still being negotiated was the price South Africa would pay for the water from the project.

But as the negotiations dragged on it began to look as though they had run into a difficult problem. This has now been identified as the ANC issue.

DENIALS

After the coup in January that ousted former Prime Minister Mr Leabua Jonathan, the new military government did crack down on the ANC, flying scores of South African refugees out of the country.

Tighter controls were reportedly introduced on ANC activities.

But the South African Government is believed to feel these measures have not gone far enough. Pretoria apparently wants Lesotho to banish the ANC entirely.

South African officials have flatly denied reports from Maseru in the past week that the signing of the treaty has been held up by attempts by Pretoria to tie it to an agreement by Lesotho to establish full diplomatic relations with Pretoria and to expel Soviet and other Communist embassies.

The South African Government has attached high importance to quashing ANC operations from Lesotho and has claimed that the kingdom has been used as a base for insurgent operations into South Africa.

The border blockade imposed late last year, and lifted only after the coup, is believed to have been aimed at persuading the Lesotho Government to crack down on the ANC.

While the conservative military government headed by Major-General Metsing Lekhanya has taken a firm line on curbing the ANC, strong sympathy for the ANC is believed still to exist in official circles in Maseru, especially in the palace.

King Moshoeshoe II, who has been given executive powers by the military government, has appointed at least two Cabinet Ministers with strong ANC connections.

PROSPERITY

The Lesotho Highlands scheme is due to start pouring into the Vaal in 1995, just when consumption in the PWV complex starts exceeding existing supplies.

The scheme would bring a considerable measure of prosperity to Lesotho, hugely increasing its revenue, creating a series of mountain lakes to attract tourists and generate electricity.

Pretoria's reluctance to go ahead with the scheme without firm curbs on the ANC is understood to be based on two factors.

First, there could be strong political objections in South Africa to involvement in a scheme of this magnitude in a country that could be providing shelter to ANC activists.

Second, Pretoria is thought

to be hesitant about exposing vital water supplies to being cut off by ANC saboteurs in another country, especially one with past and possibly continuing sympathy for the ANC.

The examples of the Cahora Bassa in Mozambique and the Ruacana project in Angola — in both of which South Africa was adversely involved — have been raised by opponents of the Lesotho project.

The question of diplomatic representation is involved in the Lesotho Highlands issue because it will be necessary for South Africa to have a presence in Lesotho to look after its interests during the construction and subsequently the operation of the project.

AMBASSADOR

It is not known what form of representation South Africa has proposed, but Pretoria would obviously prefer to have full diplomatic relations at ambassadorial level.

At present Malawi is the only African country with which South Africa has such relations.

Pretoria would obviously not like to go ahead with the Lesotho Highlands scheme without diplomatic relations, when the Soviet Union and other communist countries, on which Lesotho is not dependent, have embassies in Maseru.

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CSO: 3400/1928

SOUTH AFRICA

UNREST RELATED DEATHS MONITORED, SEEN DOUBLING

Johannesburg THE STAR in English 5 Jun 86 p 1

[Text]

An average of 4,42 people die every day in unrest — nearly double the daily average in 1985, according to the Cape Town-based Repression Monitoring Group (RMG).

In its latest weekly fact sheet, the RMG says the unrest is escalating to an alarming extent.

It quotes figures from the South African Institute for Race Relations, which show there were 531 unrest-related deaths between January and April this year alone — an average of 4,42 a day.

A total of 879 people died in unrest in 1985, which averaged out at 2,4 a day.

The RMG analysis also shows that an average of 6,1 people were injured in violence daily in 1985.

And an average of 52 people were detained every day last year — a mean which rose during the emergency, when 81 people were detained daily.

SECURITY FORCES

Figures released in Parliament show a total of 2 387 people had been detained in terms of the Internal Security Act alone last year.

During the months of the emergency — which began last July and ended in March this year — no less than 18 569 people had been detained.

The spokesman added that another 18 966 people — 54 a day — had been arrested during 1985. A total of 13 556 of these had been under the age of 20.

A police spokesman said the SAP did not have an official breakdown of figures for 1985 and could therefore not compare the RMG statistics.

He did not officially dispute anything in the RMG fact sheet.

The spokesman said between July 21 last year — the day the emergency was declared — and February 2 this year, a total of 7 777 people had been detained by police.

Twenty-five members of the security forces died in the unrest.

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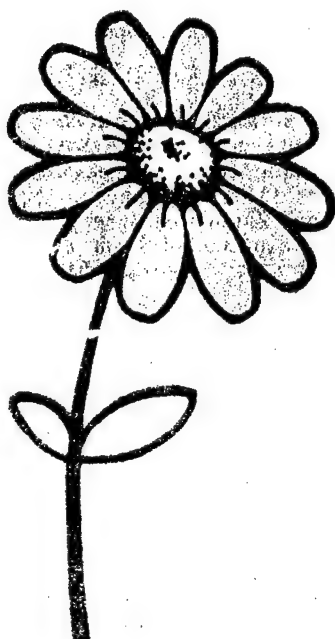
CSO: 3400/1931

SOUTH AFRICA

DAISY COMMEMORATES SOWETO UPRISING

Johannesburg THE STAR in English 7 Jun 86 p 3

[Text]



South Africans, particularly whites, are being urged to show their continuing concern about the events of June 16, 10 years ago, as well as the continuing violence today, in a campaign being launched at churches, synagogues and in newspaper advertisements.

The campaign, supported by many Christian and Jewish religious bodies, is called "A Garland of Flowers for Soweto". It asks people to cut out a drawing of a daisy from the advert, colour it yellow and display it on their back windscreens to show they are mourning with the people of Soweto.

The first advertisement appeared in *The Weekly Mail* yesterday and others will be placed in Sunday newspapers.

"Normal avenues of communication have been closed," it reads, "and so we search for a gesture to show black South Africans that we care and that we too would like to see the creation of a just and open society."

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CSO: 3400/1931

SOUTH AFRICA

SPENDING DOUBLES ON NEW COLORED SCHOOLS

Johannesburg THE STAR in English 30 May 86 p 4

[Article by Joe Openshaw]

[Text]

At R112 million, the amount voted for new buildings for the coloured Department of Education and Culture this year is nearly double last year's amount.

This will include 49 new schools, the Minister of the department, Mr Carter Ebrahim, told the House of Representatives during the debate on his vote.

He said about 9 000 classrooms would have to be built over the next five years to overcome the backlog and accommodate the annual increase in pupil numbers.

Though the R102 million budgeted this year for new primary and secondary schools was a big increase over last year's R61 million, it was considerably less than the R139 million requested.

STRONG APPEAL

"I would like to make a strong appeal for a better and more equitable allocation of funds for the erection of schools and other educational facilities," Mr Ebrahim said.

There was virtually no organised, competitive school sport because there were so few school sport facilities.

"This enables politically inspired sports bodies which control most of the communal and others sports facilities in the country to take school sports in tow and to use our pupils to further their own aims."

Mr Ebrahim said the building of a new Technical College in Athlone at an estimated cost of R40 million had been delayed because of a shortage of ground.

Negotiations were under way to acquire more land.

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CSO: 3400/1931

8 July 1986

SOUTH AFRICA

REPORTER DISCUSSES RACIAL POLICY OF NATURE RESERVES, RESORTS

Johannesburg THE STAR in English 2 Jun 86 p 13

[Article by Zenaide Vendeiro]

[Text] The ailing tourism industry is pinning its hopes for recovery on the emerging black market. It received a shot in the arm with the recent scrapping of racial discrimination in hotels, liquor outlets and licensed restaurants. Staff reporter Zenaide Vendeiro now looks at the racial policies of national and provincial nature reserves and resorts.

Nature reserves in the province are multiracial, according to Dr SS du Plessis, director of the Transvaal Nature Conservation Division.

But most of the resorts in these reserves are controlled by the Overvaal Board and are for whites only.

The provincial authorities are also responsible for State dams, picnic areas, walking and hiking trails and camping grounds.

There are separate facilities at State dams, which, says Dr du Plessis, are in early stages of development.

Picnic areas, walking and hiking trails and most camping sites are open to all.

The province controls about 40 areas. They include Barberspan, Bloemhof Dam, Blyderivierspoort, Bronkhorstspuit Dam, Doorndraai Dam, Dullstroom Dam, Fanie Botha Dam, Hans Strydom Dam, Happy Rest, Hartbeespoort Dam, Jericho Dam, Loskop Dam, Nooitgedacht Dam, Ohrigstad Dam, Roodeplaat Dam, Rust de Winter, Rustenberg, Suikerbosrand, Vaal Dam and the Wolkberg Caves.

The Overvaal Board for Public Resorts administers 12 public resorts in the Transvaal, which, with the exception of Roodeplaat Dam (which is for Indians and coloureds), are for whites only.

They are: Badplaas, Eiland, Rob Ferreira, Tshipise, Warmbaths, Blydepoort (FH Odendaal), Blydepoort (Sybrand van Niekerk), Kareekloof, Loskop Dam, Pilgrim's Rest, Roodeplaat Dam and Heidelbergkloof.

An Overvaal Board spokesman said the resorts would remain white.

There are many reserves and parks belonging to municipalities, corporate bodies and individuals. Most municipal reserves admit only whites.

The Kruger National Park, administered by the National Parks Board, is multiracial.

Dr Johan Botha, media director for the Parks Board, said national parks cannot discriminate on the basis of race. This applies not only to day visitors but also to the

accommodation in the park.

The only exception is Mamelet, which the National Parks Board helped develop but which it no longer administers. The park, which is controlled by the Gazankulu Government, is for blacks only.

Private game parks in the province, with a few exceptions, are multiracial.

These include: Game Safaris Lodge (near Kruger National Park), Londolozi game reserve (near Kruger National Park), the Rattray Reserves of Mala Mala, Kirkman's Camp and Harvey's Huts, Motswari and M'bali lodges, Sabi Sabi and the Ulusaba Rock Lodge.

NATAL:

The Natal Parks Board controls the 53 parks, nature reserves and resorts in Natal and kwaZulu.

The most important of these include Queen Elizabeth Park, the game reserves of Hluhluwe, Umfolozi, Mkuzi, St Lucia, Italia, Giant's Castle and Ndumu, and the Royal Natal National Park. These facilities are open to all.

Natal Parks Board information officer June Payne said the reserves had been multiracial for some time although the public resorts were only recently opened to all races.

CAPE:

The National Parks Board controls five reserves in the province. These are the Mountain Zebra National Park, Tsitsikama Forest and

Coastal National Park, Wilderness Lake Area, the Bontebok National Park, Augrabies Falls and the Kalahari Gemsbok National Park. They are open to all races.

The Cape Provincial Administration controls a further 35 reserves, which are also open to all races. The largest include the De Hoop Nature Reserve, the Karoo Nature Reserve and the Ovistan Nature Reserve.

It also subsidises some 60 proclaimed nature reserves falling under the jurisdiction of municipalities. Most of them admit all races.

FREE STATE:

There is only one national park in the province, the Golden Gate Highlands National Park near Bethlehem.

The reserve, which has two rest camps, a youth camp and 200 camping spots, is open to all races, says the National Parks Board.

The Free State Provincial Administration controls the Erfenis Nature Reserve, Kalkfontein, Koppies Dam, Soetdoring Nature Reserve, Sterkfontein Dam, Sandveld Nature Reserve, Game Farm Tussen-die-Riviere, Hendrik Verwoerd Dam, Willem Pretorius Game Reserve and Allemanskraal.

Day visitors of all races are admitted.

According to the provincial administration, resorts at the Hendrik Verwoerd Dam, Maselspoort, Jim Fouche Dam and Willem Pretorius Game Reserve are multiracial.

SOUTH AFRICA

APARTHEID LINKED TO MENTAL HEALTH AT CONFERENCE

Johannesburg THE STAR in English 19 May 86 p 13

[Text]

If fundamental change is to occur in South Africa, mental health professionals must challenge apartheid on all levels — they have been on the sidelines for too long.

This was the call to delegates to the Organisation for Appropriate Social Services in South Africa conference on apartheid and mental health in Johannesburg at the weekend.

The call was made by chairman Mr Lloyd Vogelmann.

He said that in order to make South Africa more psychologically healthy, and to resolve the crises of mental health, it was necessary for mental health professionals to engage in politics.

Politico-economic conditions affect the mental health of most South Africans.

"The conflict in South Africa is not easily resolvable.

"Peace is what we want, but it will not occur without freedom," he told an audience of 300 psychiatrists, psychologists and social welfare workers.

Within the health sphere, mental health

professionals have been slow to respond to the social context of deprivation.

Questions which needed answers were:

- Why there is such a large incidence of retarded psycho-motor development among black, coloured and Indian children because of malnutrition and kwashiorkor and, until 1983, few cases had been reported among white children?

- Why, among blacks and coloureds, there are higher rates of alcohol abuse and alcohol-related disabilities?

- Why South Africa has one of the highest suicide rates in Africa?

Psycho-social stresses of apartheid may be the reason for South Africa's high incidence of suicide and family murders, said Mr Vogelmann.

Factors leading to stress are the four million jobless — it is estimated that 2 000 jobs a day must be created if the country is to rid itself of unemployment — and the likelihood that those blacks who have work earn less than R300 a month.

The infant mortality rate, a good reflection of

the health of a society, is high.

In some areas one in four children die of malnutrition.

"Added to this are apartheid, society repression, racism, resettlement and exploitation," he said.

"The negative impact of oppression and exploitation had led to a feeling among blacks of 'wretchedness on Earth' — depression, passivity and powerlessness."

The present climate of militant strength and the proclamation of people's power in township life will change this, he added.

"Nevertheless, there is still a daily degradation that many blacks suffer which must cause stress, frustration, a sense of inferiority and anger — all of which are an anathema to psychological well-being.

"For the dominant (white) group, political power has produced a sense of omnipotence, arrogance and superiority.

"The growing threat of revolution and the possibility of losing privilege will probably lead whites to suffer injury to their narcissistic illusion."

He said unnatural social conditions in South Africa led to its people scoring higher anxiety and psychopathology indices than Americans and British. These were:

- The emotional consequences of resettlement — which is still Government policy despite denials — must be devastating, and leads its victims to feel a great sense of

powerlessness and insecurity.

- Poor sports facilities for black children. It is estimated that the Government spends 240 times more on sports facilities for each white schoolchild than it does on black schoolchildren.

- Coloured youth employed on Western Cape wine farms are still paid in part in wine rather than appropriate wages, giving rise to a high rate of alcohol abuse.

- Pellagra — a deficiency disease characterised by a cracking of the skin — claims about 100 000 victims a year, of which 26 000 become psychotic.

- Malnutrition has serious psychological, intellectual and behavioural effects.

- The ratio of beds for black mental patients in both private and State mental hospitals is a third of that for whites. If only State mental institutions are considered, the ratio is a sixth for blacks.

In the domain of foster care, R120 a month is provided for a white child, R85 a month for a coloured and Indian child, and R48 for a black child.

Mr Vogelmann said the conference was more than "an act of protest, more than an acknowledgement that apartheid and ill health were inseparable — it was the beginning of trying to discover what an appropriate social service was, and what skills are needed serve the majority of the people".

8 July 1986

SOUTH AFRICA

COMMENTATOR REPORTS ON PHOENIX SQUATTER DILEMMA

Durban POST NATAL in English 28-31 May 86 p 12

[Article by Kanthan Pillay]

[Text]

IN August last year, Inanda erupted. The wave of unrest washed over the sprawling squatter settlement on the outskirts of Durban, spilling over into the neighbouring townships of KwaMashu and Phoenix.

Directly in the path of the wave was the Phoenix Settlement — the internationally-known sanctuary founded by Mahatma Gandhi during his passive resistance campaign in 1904.

In the process, the settlement was raped, its treasures looted, and its buildings gutted. The staff fled in the path of rampaging thugs who took advantage of the chaos to wreak havoc.

Today, the settlement faces an invasion again — but of another kind. A squatter camp has been set up at the entrance to the settlement — and it is increasing in size by the day.

Reports of the squatters taking over the settlement grounds were first made known two weeks ago.

Mewa Ramgobin, a trustee of the property, said an armed contingent of African people had taken control of a large portion of the settlement.

The Phoenix Settlement Trust — which administers the property — had been warned by the group taking over the grounds that they would retaliate if there were any moves to prevent their building the shacks, Mr Ramgobin said.

Land in the rest of Inanda which had been occupied by Indians up until the time of the unrest had also been taken over by the group who were believed to be an offshoot of a Zulu impi,

the Amabutho, he said.

"The leader of group, a Mr Mgenge, has been 'selling' space to families on condition they carry arms at all times and be ready to take action when their leaders order it," he said.

"They have threatened to burn down the clinic — the only building left standing after the unrest — if they are stopped from settling here. I was threatened by the group and had to flee."

In response to Mr Ramgobin's report, photographer Puri Devjee

and I visited the settlement last week.

We had been warned by Mr Ramgobin that the area was dangerous — that they would attack outsiders, particularly Indians. So we approached the scene with caution.

The picture that awaited, however, was far different to the one painted by Mr Ramgobin.

There were by then more than fifty shacks on the land — all in different stages of construction. And from the levelling of the ground in certain areas, it was clear more were to follow.

Our entry into the area attracted curious glances, but most people continued with their work. We spoke to several people — all of whom were very friendly. There was no evidence of any of the people carrying weapons — they were mainly women and children — nor were there weapons in the shacks.

People we spoke to denied any knowledge of any threats against the settlement.

I presented my version of the situation of the squatters to Mr Ramgobin. Mr Ramgobin said he was "surprised".

"There is something quite sinister going on there," he said. "Why have they chosen that land when there is lots of land available elsewhere?"

"The Phoenix settlement was, and still is, essentially a community-based institution designed by its founder and trustees to serve the entire South African community."

"Overrunning it and building shacks on it is not one of the objectives."

Mr Ramgobin said he considered it especially sinister that the land taken over by the squatters had long been requested for expropriation by the Department of Development Aid for the consolidation of KwaZulu.

But, he said, there was no question of the trustees allowing the Government to expropriate the land on which the squatters settled.

"In the first place we are bound by Gandhi's decree that no part of the settlement shall in any way be alienated. In the second place, we can in no way be party to the fragmenting of our country into Bantustans."

The authorities cannot move simply into the settlement and bulldoze the shacks because the settlement is private property. And the authorities can only clear it if asked to do so by the trustees. For the trustees, this option is politically not viable.

"We, above all people, understand the agony of forced removals, and cannot call the police to

remove the squatters," Mr Ramgobin said.

"We understand the plight of people in respect of housing and land."

The squatters say they have been told by the police that their shacks would be bulldozed if they occupied the vacant plot across the road from the settlement. "Here, we know we are safe. The

police don't come here," one of the squatters said.

Mr Ramgobin said the "armed contingent" had moved in closer to the settlement and were in the vicinity of the clinic. The situation was getting out of control, he said.

The trustees are in a classic Catch-22 situation. They cannot allow the squatters to continue living on the property —

the health threat posed by overcrowding is a problem.

They cannot move them by peaceful means — the people on the settlement are there because they have nowhere else to go. And they cannot move them by force — the inheritors of Gandhi's legacy have realised that the international repercussions would be too severe.

This Is Why We Have To Build Our Shacks Here...

CONSTRUCTION of the shack was almost a work of art ...

Long sticks were carefully nailed into place at definite intervals on four upright corner posts. Window and door frames were placed at carefully planned positions.

Nearby, children — who to all appearances seemed to be making mudpies — mashed down heaps of watered-down clay.

This was then carted over to the "construction site" where the mud was packed solidly between the sticks to form walls.

The entire process moved along at breakneck speed. The workers would not be knocking-off at five and heading for home. This was their home. And they would sleep in it that night, huddled together for warmth between the open walls.

The architect, builder, carpenter, plumber, and home-owner, Simon (not his real name) is 40 years old. He has a wife, and four children with a fifth one on the way.

He is one of the many people who has taken refuge on the Gandhi settlement and for him — like many others of the squatters I spoke to — there was no other option.

"I was employed by a packing company until January this year. I was earning R300 a month and I lived with my family in Umlazi," Simon said.

"Then one day, they told me there was no job left for me. I had to go.

"I was not working anymore. I could not afford to carry on living in Umlazi. There was money for rent. We had to go.

"We went to Malakazi first, but there was no place for us there. Then we went

to Inanda, and from there we moved here."

The shack, when complete, would have two rooms — a living area, and a sleeping area. The walls would be cemented over and painted. The tin-roof would be securely nailed down, and proper windows and a door with a lock put in. This was after all his home for the foreseeable future.

The settlement, Simon said, was one of the few "safe" places left for squatters. Just across the road, people who had constructed similar homes had had them knocked down by the police.

"Here there is no trouble."

There had been no contact between the authorities of the settlement and the squatters, he said. "I don't know the owners. I thought you were the owner."

The biggest problem facing the squatters, he says, is getting fresh water. Tanked water is sold at four cents for 25 litres. Some people were lucky and had friends in the township down the road — there were taps there.

Building the shack is costing him about R600 — money out of savings accumulated over the years in a post office account. He said he would look for casual work to support his family until he is able to get a full-time job.

None of the squatters wanted their names published or photographs taken. "If you put our names and pictures, the police come looking for us," Simon said.

He did not know of anyone on the camp who had been asked to carry weapons. Nor had he been asked to pay rent to anyone. There was no impi giving orders.

"I'm not looking for trouble. I'm here because I have no other place to go."

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CSO: 3400/1919

SOUTH AFRICA

PSYCHIATRIST COMMENTS ON BLACK CHILD'S VIOLENT WORLD

Johannesburg THE STAR in English 3 Jun 86 p 3

[Article by Joe Openshaw]

[Text]

Black children have no roots, no past and precious little present and there is little to live for if things do not change, Dr C W Allwood, chief psychiatrist at Baragwanath Hospital told a symposium on "From Violence to Healing" in Johannesburg yesterday.

He addressed the symposium — held under the auspices of the Johannesburg Hospital Board and organised by the hospital chaplains of the NGK in the Southern Transvaal — on "Psychological Violence and Healing".

He said it was necessary to look at the violent effects of a discriminatory society where black children were bewildered and humiliated.

HATE SMOULDERS

He said the black child saw her father degraded and humiliated when he was called "boy" in her presence. He spoke of the violence involved in controlling, moving, disrupting and displacing people.

"Anger grows, hate smoulders. The traditional child-rearing practices of black society have broken down. Illegitimacy has soared and children know little stability, love or security.

"They have grown up in a society where their parents have no rights and no power over their lives.

"The children have nothing to lose by following their instinctive drives of sex, love and hate — all for immediate gratification and excitement.

"Having no roots, no past and precious little present there is little to live for if things do not change."

/9274

CSO: 3400/1932

SOUTH AFRICA

COLUMNIST CRITICIZES POLICE QUESTIONING

Durban POST NATAL in English 4-7 Jun 86 p 12

[Article by Ameen Akhalwaya in "My View Column"]

[Text]

I SUPPOSE I'm fortunate. Unlike several of my media colleagues, I have not spent any considerable length of time in detention.

Unlike many South Africans, I haven't been raided in the dead of night and taken away by the security police.

Unlike Steve Biko, Imam Abdullah Haroon, Ahmed Timol and others, I didn't die while I was in detention.

I'm lucky. But that didn't make me any happier last Tuesday night when, while I was out, a security policeman left a message at my home, requesting that I call at Protea police headquarters in Soweto at 7.30am. And that I bring my passport and ID document along. *NB: Urgent* was written in red on the note.

Now what had I done? Attempted to overthrow the State? Broken the myriad security laws in any way? Propagated violence?

That morning, the May issue of my newspaper *The Indicator* had hit the streets. It contained several articles on the 10th anniversary of the Soweto student uprising on June 16, 1976. None of the articles was inflammatory.

Among the articles, Dr

Nthato Motlana of the UDF-affiliated Soweto Civic Association had written about the Black Parents' Association 1976 to the NECC 1986. National Forum and Azapo leader Mr Saths Cooper had written one deploring the black on black violence. Farouk Asvat's June 16 poetry was published. Black media workers' leader Mr Joe Thloloe had told how, since 1976, black journalists had paid the price for commitment.

The Thloloe piece, it turned out, was the supreme irony. Had I had been a white editor, no doubt the police would have visited my office to question me. Being black, I had to report at 7.30am to the police.

I called colleagues who have had more experience about security police matters. "You have little choice," they said. "If you don't report to them, the chances are they'll come and pick you up at home. Although their 'invitation' is not a legal summons, it's best to get it over and done with."

Next morning, lawyer Priscilla Jana phoned the police, asking what I was wanted for, and saying she would accompany me should I be required to make a statement.

They told her I was being called in for a "personal chat".

A "personal chat"? With my passport and ID in tow?

At noon, I went to Protea. Personal details were taken. It wasn't the first time I had been asked such details by the SP, so I was repeating most of the answers.

"Are you Muslim?"

"Wife's name?"

"Children's names and ages?"

"Brothers' and sisters' names?"

Man, how personal can you get?

"Which organisations have you belonged to or belong to?"

"Which politicians do you know?"

Man, after 15 years of writing politics, I do know a few. PW Botha for a start. Pik Botha. Other Cabinet members. And should I say I also know Andries and Jaap, the Raj, and JN and Pat and Allan and David and Carter?

While my personal details are being taken, a man with a camera walks in. "Do you mind if I take your photo?" he asks. "Yes," I say. "I'm here for a personal chat."

He disappears, re-emerges in the corridor, and takes my picture.

Then the "personal chat" starts with another policeman.

Questions: *How old are you? How many children do you have? Which politicians do you know? Do you support the TIC and the UDF? Who finances your newspaper? Why is there so much poli-*

tics in your newspaper? How do you collect the political information?

After 45 minutes of polite questioning, I'm told I can go. This "urgent visit" had cost me valuable time at work. I will have to pay legal fees. I'm lucky. Unlike many black South Africans, I can afford it.

But man, if I do support the TIC or UDF or Azapo or the Forum or Solidarity or the NPP or what have you, why should I be asked to report to the police urgently at 7.30am, and bring my passport and ID along?

Why, every Afrikaans establishment newspaper supports the Nats. Most English language papers support the Progs. *Die Stem* and *Die Patriot* support the far-right whites.

City Press, which supports the UDF (and is quite entitled to do so), is owned by Nasionale Pers. Why isn't the managing director of Nasionale called in to ask if *City Press* supports the UDF and who finances the paper?

The next day, when articles about my questioning appear in the newspapers, colleagues, friends, politicians, and readers phone in to ask after my well-being. Most express their anger at the police action.

But why the questioning? My political views have been stated repeatedly for the past 15 years, in *Post Natal* for the past three years, in the Afrikaans newspaper *Die Vaderland*, in the

Rand Daily Mail, the *Sunday Express*, and other South African newspapers, in publications abroad, on radio and TV outside.

Why don't the police spend more time grilling the AWB men?

One of the ironies of my being questioned was that the main story in *The Indicator* was devoted to House of Delegates minister Baldeo Dookie's announcement of his housing plans for Lenasia. Another one-and-a-half pages inside were devoted to Mr Dookie's speech in the house.

The "system" got its say, but the "system" was still not happy. "Do you support the UDF?"

Well, if the TIC and the UDF say they want to bring about true democracy in this country and are not merely mouthing slogans, why should I or anyone else not support them?

After all, if they did bring us democracy, it would be a huge improvement on the present lot, whose idea of democracy is a huge joke, and a tragedy.

At least in a true democracy we wouldn't have to answer inane police questions such as "How old are you?" at 7.30 in the morning, and take our passport and ID along to have a "personal chat".

And as political writers, we won't be asked: "Which politicians do you know?" I do know the Raj. Perhaps he will answer, or inform Louis le Grange, that he knows me too...

8 July 1986

SOUTH AFRICA

JOURNALIST DESCRIBES RECORDING UNREST AS 'TOUGHEST JOB'

Durban POST NATAL in English 4-7 Jun 86 p 13

[Article by Jon Qwelane]

[Text]

WHO has the toughest job in the current wave of unrest tearing the country apart — policemen, "rioters" or journalists?

Many people always say the police job is the toughest because they work "under dangerous and trying conditions".

Without minimising their risks, I suggest the police are at best equipped to deal with such situations. They travel in sturdy, armoured personnel carriers which can withstand even land mines, as shown recently when a Casspir drove over one in Mamelodi.

"Rioters", on the other hand, also have a tough job. Besides having to rouse crowds of people to fever pitch — as they have often been said to do — they have to be on the lookout for patrolling policemen.

But at least the "rioters" are usually — so we are told — armed with petrol bombs, stones, bricks, kieres, and the like.

Journalists have the toughest job of the three groups, not only at the "war front" where bloody confrontations sometimes take place between the two other groups, but

they also face grave risks in their personal capacities as members of their own communities.

Many policemen have lost their lives in the unrest. Many more alleged "rioters" have died in the same period, and it is a miracle that not one journalist has died in the unrest yet.

That may cause some people to ask: "What, then, makes the job of journalists the toughest in the labour market if not one of them has been killed in the two years of sustained upheavals?"

The simple answer is that a journalist "dies" many times every day whenever he must go out on an unrest-related story.

White journalists are not immune from the dangers, either. Mike Cohen, Gary van Staden, and Jo-Anne Collinge of *The Star* and Gideon Mendel of *Agence France Presse*, as well as several journalists attached to foreign media, have all in their time swallowed the bitter medicine dispensed at the "battle lines" by both police and "rioters".

But black journalists remain undeniably the unenviable breed of the

media species.

They must be seen by their communities to be reporting events as they take place in the unrest, while at the same time having to toe the dangerously thin line between objectivity and subjectivity.

To crown it all, they must be seen to be "responsible" as only the authorities define the term. This does not necessarily mean they must resort to self-censorship, though it does not exclude it either.

Photographers have their films seized and exposed to the light by both police and "rioters", for the simple reason of destroying the evidence of possible rash actions by both sides.

Reporters and photographers are not immune from the beatings and teargassing of crowds by the police. Gas masks are out, because the mobs can view such journalists suspiciously.

Even the cars news-men drive on assignment can lead to physical attacks by mobs because "the system" uses the same vehicles.

A number of staff cars owned by this newspaper have been regularly at-

tacked by "rioters" mistaking them for "system" vehicles, but sometimes it does not matter that the identities of the news teams are known — what they capture on film and reproduce in print "makes the system to harass us", as photographers on this newspaper have been regularly told when being rudely shooed away from the "action".

It is no use black journalists, in particular, taking advantage of the police offer to be escorted on "riot" stories — to be seen in the company of the police would, in the view of most of their communities, be the kiss of death.

Not necessarily because the police always see things from a different angle to journalists, but also because the police are — whether we like it or not — extremely unpopular in black areas.

Recently staffers Rich Mkhondo and Herbert Mabuza were almost killed when a speeding bus, apparently out of control, missed them by mere seconds. In another case reporter Maud Motanyane had to slip off her shoes, and borrow a shawl to wrap around herself to appear one of the "bereaved" women at a youth's burial — all this to be able to slip through a police line blocking the

path to the home of the deceased.

I was almost killed in Uitenhage last year when a blood-thirsty mob mistook me for a wanted businessman who had allegedly amassed his wealth by "cheating" township residents. It was a close thing, with more than 200 men and youths carrying axes, spades, garden forks, and other weapons as well as some petrol to burn me with and also raze the home of the people with whom I was sheltering.

But the ultimate test is the one of credibility, not helped one bit by the maze of laws restricting publication.

It does not matter one bit, for example, that you witness an excess by the police. In terms of the Police Act the onus is on the reporter to show he took "reasonable steps" to prove that what he was writing about the police was true.

Invariably this means asking the police to comment on their own actions, which often comes out starkly opposite to what actually happened — but you have to write their side of the story, untrue though you may believe it to be.

It happened to me in kwaThema when I was covering the funeral of a young woman run over by a police Casspir. I went to the cemetery with the huge and peace-

ful crowd, passed by Casspirs all along the way until the actual burial.

As soon as the burial was over all hell broke loose — from the police side. They fired teargas, rubber bullets, and bird-shot at people. At least 14 of the mourners were injured. The action was completely unprovoked.

But I had to get the police side of the story, to fulfill the law. Their version? Crowds had stoned a bottle store, and the police had to step in. Only teargas was used, and several policemen were slightly injured and nobody else!

Needless to say, the community deeply resents such reporting because of its blatant dishonesty, which is not of the reporter's making.

The reporter has to live with his people, and if they begin to suspect he is fabricating events — like in the above example — they hold new ideas about him. His own life may then be not worth a tittle.

■ PS: Why do you think I have used "rioters" in quotation marks all along? For the same reason that I prefer guerrilla to the unrepeatable term (in the black community) which the Government and the SABC use for insurgents.

/9274

CSO: 3400/1982

SOUTH AFRICA

WHITES SAID TO HOLD MOST, BEST PUBLIC SERVICE JOBS

Durban THE DAILY NEWS in English 26 May 86 p 9

[Article by Bruce Cameron]

[Text]

WHITE South Africans not only have most of the jobs in the public service but also the plum positions.

This is clear from a series of questions asked in Parliament mainly by Mr Mike Tarr (PFP Pietermaritzburg South).

But the Minister for Administration and Economic Advisory Services, Mr Eli Louw, says the official employment policy in the public service is one of "no discrimination against any candidate or officer of any population group.

"The principles of merit and efficiency are always applied when posts are filled."

Mr Tarr responds bluntly: "I don't believe it."

It is only in portfolios such as Education and Training that blacks fill most of the posts and are pushing into the top bracket.

But those departments which do not specialise in black affairs are dominated

with whites not only only at the top levels but also in the middle strata with blacks mainly being brought in to do menial and unskilled tasks.

And the discrimination goes further with the overwhelming number of top and key jobs being held by Afrikaners.

The tricameral system of Parliament has not as yet improved the position of the coloureds, and particularly the Indians.

The balance is nowhere near the 4:2:1 ratio on which the tricameral system is based.

For example in the Department of Environmental Affairs, which has an Indian deputy Minister, there are four Indians against 3 383 whites.

In the President's office there is not one Indian, coloured or black in one of the advisory or senior positions.

The Commission for

Administration, which is responsible for the public service, is itself heavily tilted in favour of whites.

Mr Tarr feels that the commission should launch an "affirmative" programme to include and train blacks, coloureds and Indians in the public service.

The current position was dangerous in more than one way.

Firstly blacks would be angered by the lack of jobs being made available for them in the public service which would also raise doubts about the Government's intentions to get rid of racial discrimination.

Another problem was that when blacks had a major say in government they would insist in bringing in blacks on a large scale.

This would result in many under trained or untrained people being put into jobs which would cause chaos in the public service.

HOW THEY COMPARE

DEPARTMENT	WHITES	BLACKS	INDIANS	COLOURED
Agricultural Economics: (Professional staff)	1 738	77	21	27
(Labourers)	194	763	9	106
Auditor General	386	0	3	8
Bureau for Information	309	42	4	18
Central Economic Advisory Service	25	0	0	0
Central Statistical Service	524	23	1	0
Commission for Administration ..	720	27	1	3
Constitutional Development and Planning	871	579	4	0
Development Aid	1 024	281	0	0
Education and Training	3 053	51 405	0	37
Environmental Affairs	2 383	410	4	205
Finance	7 596	4	20	3
Foreign Affairs	1 050	57	4	6
Government Printer	107	0	0	0
Justice	5 658	1 113	74	93
Home Affairs	2 264	383	24	15
Manpower	2 127	258	135	152
Mineral and Energy Affairs: (Professional staff)	698	19	0	5
(Labourers)	0	127	0	14
National Education	495	30	7	1
National Health and Population Development	8 194	13 385	910	2 296
Police	26 938	16 976	1 944	3 142
Posts and Telecommunications ...	54 368	29 032	2 070	10 635
President's Office	134	4	0	9
Prisons	10 159	6 800	72	2 190
Public Works: (Professional staff)	4 042	155	2	98
(Labourers)	446	5 712	85	2 145
SA Transport Services	101 124	100 850	1 889	17 204
Trade and Industries	983	69	0	11
Transport	2 226	39	0	16
Water Affairs	3 087	8057	26	2 177

THE above table has been compiled from data supplied in Parliament by various ministries. It is not possible to give a total of the number of people of the different race groups employed by the State as some departments such as Defence and the National Intelligence Service do not supply figures and the definition of a public servant varies.

The above figures also do not include the provincial governments (where the ratio is generally much the same) or the predominantly black public sector in the national states.

The staff structures of the own affairs administrations are not included in the table, which deals only with general affairs administrations.

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CSO: 3400/1918

SOUTH AFRICA

UNEMPLOYMENT LEADS TO INCREASED UNREST, STRIKES

Johannesburg THE STAR in English 3 Jun 86 p 13

[Article by Sheryl Raine]

[Text]

Wages and pay-related issues were the major causes of strikes last year, the director-general of the Department of Manpower has disclosed.

In his annual report Dr Piet van der Merwe noted that although there were fewer strikes and work stoppages in 1985 (389) than in 1984 (469), more people were involved in strikes last year than ever before.

Last year, 239 816 people went on strike compared with 23 323 a decade ago. The average number of employees per strike increased from 388 during 1984 to 616 during 1985. While only 26 strikes involving more than 1 000 employees took place during 1984, 40 such strikes occurred during 1985.

Disciplinary

Most strikes last year lasted for only a day or less and involved less than 100 workers. Only six strikes lasted for longer than 14 days and only 21 involved 2 000 workers or more.

Apart from wages and allied matters, disciplin-

ary measures by employers were also an important cause of strikes last year.

Worst hit by industrial action was the manufacturing sector. The mining sector, which was less affected by the economic recession than any other sector, was also hard hit.

Unemployment increased dramatically last year and heavy demands were made on the Unemployment Insurance Fund. More than 200 000 jobs disappeared, the iron and steel industry accounting for the loss of 23 000 and the civil construction industry for 40 000. Many other industries like the motor manufacturing sector and allied industries were also affected by poor economic conditions.

Dr van der Merwe noted that the large number of unemployed had possibly contributed to the unrest in the country.

The nature and extent of strikes last year has led to a re-examination of the dispute-settling procedures laid down in the law.

The National Manpower Commission is investigating the following with a view to improving the dispute-settling system:

- Decriminalising strikes.

- Workers' rights to stage sympathy strikes and the consequences of such strikes.

- The rights of an employer legally entitled to dismiss an employee who strikes illegally while, at the same time, the Industrial Court has the power

to reinstate the employee.

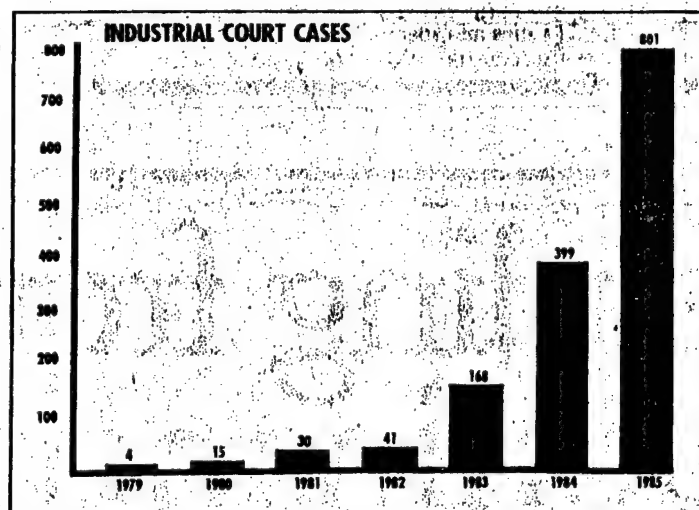
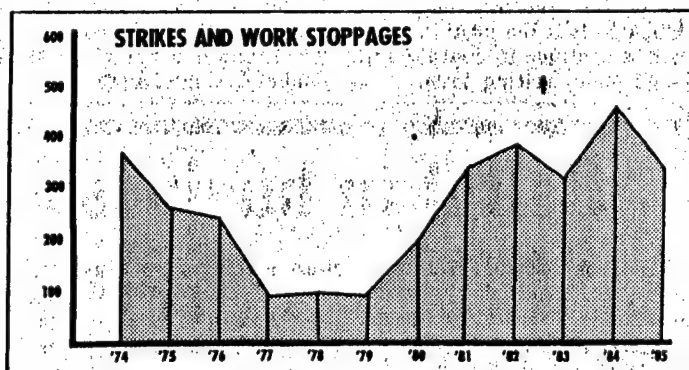
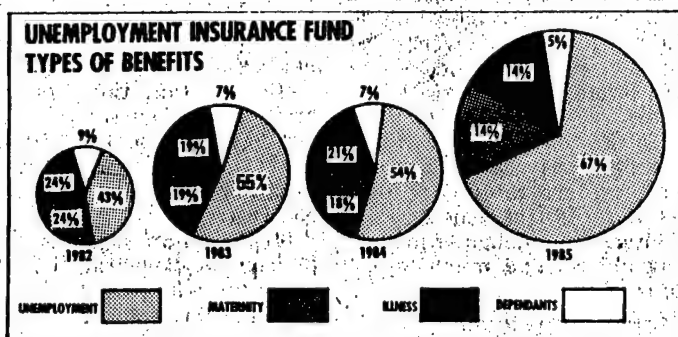
- Intermittent strikes.

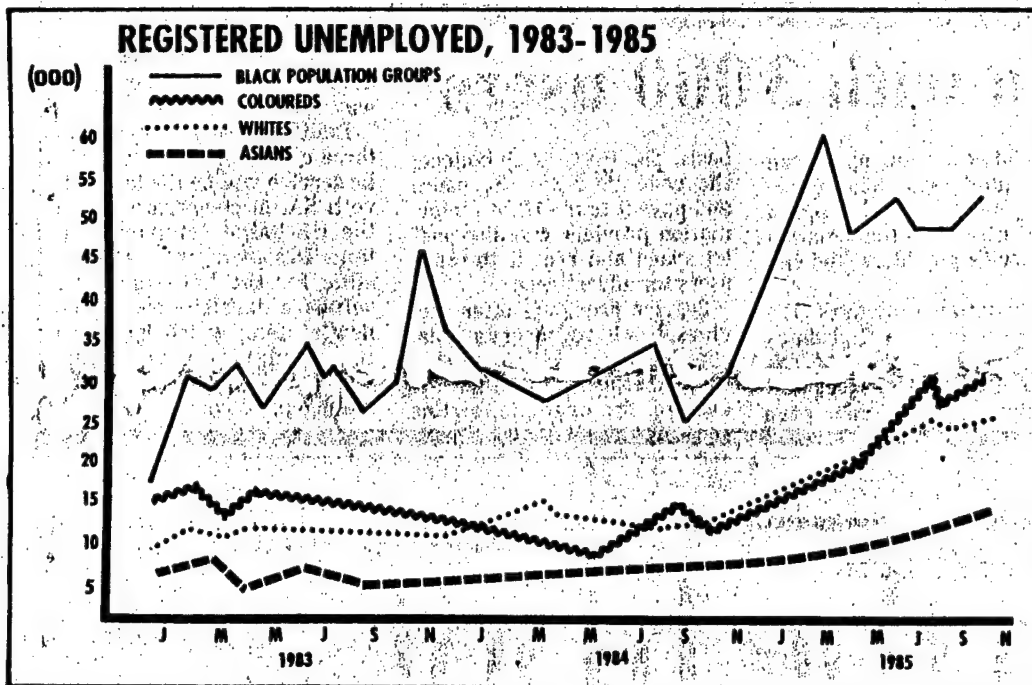
Rivalry growing

Dr van der Merwe noted there had been a marked increase in the membership of trade unions. The largest increase occurred among blacks who had joined unregistered trade unions. There had also been an increase in the number of trade unions which had opened their membership to all population groups.

There were now about 1.9 million trade union members, constituting about 21 percent of the economically-active population. Trade union rivalry was growing.

The number of trade unions using the statutory dispute-settling machinery has also increased. There were 514 applications for conciliation boards last year compared with 279 in 1984 and just 29 in 1979.





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CSO: 3400/1932

SOUTH AFRICA

UNIONS AFFECTED BY OVERSEAS CONTACTS

Johannesburg BUSINESS DAY in English 22 May 86 p 7

[Text]

CONTACT with trade union federations in the US and Europe had had a "far-reaching effect" on the SA trade union movement, Deputy Foreign Minister Ron Miller said in Durban yesterday.

It had also encouraged local black unions to increase their activity, he told an industrial relations seminar of the Natal Chamber of Industries.

There was no doubt that the overseas contact had effected change in manpower matters and in the socio-economic sphere.

Local trade unions were also subjected to a growing external influence in the form of training and the exchange of knowledge and expertise.

"During the last annual executive meeting of the International Confederation of Free Trade Unions in America, it was agreed that organisations would make a definite contribution to assisting with the development of a strong, independent black trade

union movement in SA," he said.

"The International Labour Organisation (ILO), through its committee on apartheid, updated its programme of action against SA during its 1985 sitting."

Miller said such actions were aimed at disinvestment, withdrawal of foreign companies and foreign contract labour, pressure by foreign trade unions, prohibition of handling of goods at harbours and airports and the threat of an embargo on the importation of SA coal.

"The spotlight is at present being focused on the ILO's monitoring role, and centres around the actions of governments, trade unions and other organisations as set out in the programme," he said.

Miller also said that different labour relations systems in southern African states might create problems for entrepreneurs.

It was necessary, therefore, that the problems be brought to the attention of the Manpower Department which, with the Foreign Affairs Department, could raise the issue with labour administrations of neighbouring states. — Sapa.

/9274

CSO: 3400/1918

SOUTH AFRICA

NUM STARTS TALKS WITH 45 PERCENT WAGE INCREASE DEMAND

Johannesburg BUSINESS DAY in English 22 May 86 p 7

[Article by Claire Pickard-Cambridge]

[Text]

THE National Union of Mineworkers (NUM) has made an opening demand for a 45% across-the-board wage increase for black gold mine employees it will represent during annual negotiations with the Chamber of Mines.

The NUM, which claims 180 000 paid-up members and 250 000 signed-up members on chamber gold and coal mines, is expected to table similar demands for workers on chamber collieries where it is recognised. However, these negotiations will be handled separately.

NUM's opening demand in 1985 was a 40% increase and negotiations this year may well be as tough and prolonged as they were last year.

NUM's Marcel Golding said other demands this year included a reduction in working hours — which are more than 90 hours a fortnight — to 80 hours a fortnight, 44 days annual leave, a holiday leave allowance of 100%, May Day as a paid holiday, improved shift allowances and improved funeral and death benefit schemes.

Minimum increases negotiated for black workers on chamber gold mines last year ranged between 14% and 22%, and there was strike action at some Gold Fields, Anglovaal and

Gencor mines.

NUM has also placed strong emphasis on improving the lot of women employees this year. These demands include six months' paid maternity leave and up to six months' additional unpaid leave if a worker or child suffers from illness before or after childbirth.

NUM wants women workers to be guaranteed similar pay and benefits when they return from maternity leave, and are also demanding that fathers be given the right to time off when children are born.

The chamber has not yet made an offer and the parties are expected to meet later this week. The traditional implementation date for wage increases for black employees is July 1.

The monthly minimum for underground gold miners ranges between R193 and R600 and their average wage is R390,82c. Additional benefits such as food, accommodation and medical attention amount to another R147 a month.

The Council of Mining Unions (CMU), representing about 24 000 white miners and other mining personnel, has called off its scheduled strike ballot on Friday after a new offer from the chamber.

The new offer has not yet been disclosed to the media, but it is likely that the chamber and the CMU are closer to reaching agreement now. There was previously a 0,5% margin between the CMU's demand of a 15,1% increase and the chamber's offer of 14,6% with no fringe benefits.

The three official associations representing another 37 000 members met with the chamber on Tuesday to present their wage proposals. The Mine Surface Officials' Association and the Underground Officials' Association have presented joint demands, while the SA Technical Officials' Association has separate demands.

De Beers has also begun its annual wage negotiations with the CMU, but has not yet begun talks with NUM. NUM met to negotiate wages and conditions of employment with De Beers Namaqualand mines division for the first time last year, after the conclusion of a recognition agreement between the parties.

De Beers wage increases, with service increments, amounted to about 12% for employees represented by the CMU and NUM last year, resulting in a minimum starting rate of about R340 a month.

/9274

CSO: 3400/1918

8 July 1986

SOUTH AFRICA

BID FOR FARM WORKERS' UNIONS GATHERS FORCE

Johannesburg THE SUNDAY STAR in English 18 May 86 p 7

[Article by Andrew Beattie]

[Text]

THOUSANDS of workers in South Africa's last bastion of conservatism — the farm-lands — have been quietly recruited into trade unions outside the official collective bargaining framework.

And the 650 000-member Congress of South African Trade Unions (Cosatu) is to launch a new union in the near future for farm workers whom it calls "the most exploited workers in the country".

The disclosures come as the Federated Chamber of Industries (FCI), in a related move, is asking the Government to allow these unions to be recognised.

The FCI also said farmworker unionisation was "inevitable" and that "it is common cause that substantial sections of the farming sector are heavily criticised for poor conditions of employment".

Traditionally conservative farmers, represented by the South African Agricultural Union (SAAU), are likely to resist the new developments. The SAAU has steadfastly lobbied Government to prevent the unionisation of farm workers.

Cosatu general secretary Jay Naidoo told The Sunday Star that the union would "fight tooth and nail" to eradicate widespread use of child labour on farms and expose "feudal conditions and slave labour".

He said that the denial of agricultural workers' right to form legally-protected trade unions was "untenable and illogical".

Nevertheless, Naidoo said, "thousands" had already joined unions affiliated to Cosatu and other independent unions.

At present farm workers have:

- No legal protection from victimisation for trade union activities and cannot form registered trade unions.
- No access to the Industrial Court or redress for unfair labour practices.
- No legal agreements on working conditions.

- No minimum wages or laid-down conditions of service.

- No unemployment insurance benefits.

- No minimum safety regulations governing working conditions.

Cosatu has also demanded that the Government make public and implement last year's report by the National Manpower Commission (NMC) on farm and domestic workers.

Corporate and union sources regard it as an "open secret" that the NMC recommended that these workers be accorded the right to form trade unions. They say that the Government fears it would alienate right-wingers in farming constituencies by releasing the report.

In a paper stating the FCI's position on industrial relations in the agricultural sector, the corporate employer organisation recommends that three fundamental laws affecting workers be extended to include all farm workers. These are the Labour Relations Act providing collective bargaining machinery, the Basic Con-

ditions of Employment Act providing appropriate minimum conditions and the Machinery and Occupational Safety Act.

A statement on the FCI's attitude to these issues was requested by a Parliamentary Standing Committee on Manpower. According to informed sources this may indicate that the Government is rethinking its position on farm workers, although Manpower Minister Mr Pietie du Plessis told Parliament no new laws on the subject were anticipated this session.

Observers have warned that attempts to improve the lot of farm workers will inevitably result in farmers turning to mechanisation.

It has been estimated that the present number of agricultural workers (1.5 million according to the National Manpower Commission) will drop to 800 000 in the year 2000 if present trends continue.

Economic conditions have put the squeeze on

farmers, leading minister Pietie du Plessis to warn that farm workers could price themselves out of the market.

Yet Dr Norman Levy, a South African academic now resident in Britain, pointed out in a report prepared for the International Labour Organisation (ILO) that at present "the only limit on how low a farm worker's wages can go is starvation".

The report, published in the ILO bulletin last year, claimed that South African farmers used 60 000 child labourers, many in the 8-14 age bracket. It also estimated that on average 1 600 workers died each year of pesticide poisoning and related diseases.

Cosatu's general secretary Jay Naidoo told The Sunday Star that "since the formation of Cosatu there has been a surge in enthusiasm for workers' rights that has caused them to stand up and demand their rights".

Rob Childs, human resources director for the Premier Group and vice chairman of the industrial relations committee of the Federated Chamber of Industries (FCI) drafted the report which spelt out the FCI's views on farm worker unionisation.

"The introduction of collective bargaining

legislation and basic standards legislation will not, in our view, accelerate the rate of unionisation, neither will the withholding of such legislation retard this inevitable process," he noted.

Childs told The Sunday Star that the Government's ultimate decision on whether or not to include farm workers under collective bargaining and minimum standards legislation would be, in his opinion, "political".

Alternatively, the FCI recommended a "plausible but less satisfactory alternative" that might be more "digestible" for the Government.

Section 51(a) of the Labour Relations Act enables the Minister of Manpower to make an order covering any facet of employment.

The Minister could use this clause to "selectively" include already unionised workers under the scope of industrial relations.

This would facilitate recognition agreements between employers and workers, if these laws could not be extended to the entire agricultural sector.

SOUTH AFRICA

PASSING OUT PARADE FOR MEN OF SAS JALSENA

Durban POST NATAL in English 28-31 May 86 p 3

[Article by Bobby Harrypersadh]

[Text]

SIX months ago they were just 150 students from all parts of the country and from different walks of life, entering the threshold of a new career.

Today, their lifestyle has undergone a complete transformation. They are now disciplined and well-drilled men of the navy — they belong to the SAS Jalsena.

Of the 150 young men, 110 of them will go through their paces in their passing-out parade, Salisbury Island, on Saturday at 10am.

The salute at the battalion review parade will be taken by Commodore Paul Wijnberg, SM, Officer Commanding Naval Command East, based at Durban's Salisbury Island.

The remaining 40 have left the unit to continue training as marines at the Marine Training School in Simonstown, Cape Town.

The Officer Commanding SAS Jalsena, Commodore Willem Smit, said for the remaining 18 months of their training, some of the seamen would do spe-

cialisation courses before furthering their careers in other departments.

He said: "The selection process of the new intake will start on July 14, and the training will begin four days later. We will take 100 new recruits. Of this number, we already have 40 applications from various parts of the country."

Those keen on a navy career should write to the Officer Commanding SAS Jalsena, Fleet Mail Office, P O Fynnland, Durban, 4020. Further details can be obtained by phoning 464311, extensions 366, 367 or 368. Seamen who will receive shields, trophies and medals at the ceremony are:

Pro Patria Medals for Petty Officer Yousuf Ramleh (10 years good service) and Padre Ernest Pegley (for border duty).

Seamanship Trophy, Harold Bez: best sportsman, Vivasanthan Chetty; Orator's Cup, Ray Ramraj; leadership, Ray Ramraj; best trainee, Koolawanthram Jaggarath.

Second best trainee: Ashwin Silvanus Baraboo; neatest trainee, Abdoel Pillay; smartest trainee, Gavin David; best shot, John David; aspirant de corps, Sunit Samraj; hardest trier, Alvin Marraon.

Most effort in parade training, Shaffudin Imraan; best division (all round and sport), Mizzen Top Division; best work, Pathmanathan Chetty; most improved musician, Leading Seaman Cooper Chetty.

/9274

CSO: 3400/1919

SOUTH AFRICA

BRIEFS

POLICE RECRUITING PROFESSIONALS--The police force is now attracting professional men--school teachers and young men straight from university with degrees to their credit. Colonel Morgan Chetty, Officer Commanding the Police Training College in Wentworth, Durban, confirmed the "very professional outlook" taken on in recent years by the police force. "Our training methods are continuously being changed to meet everyday demands," he said. This was a good sign, said the colonel, for there was a time when the police force was looked down upon by some people. It is also in sharp contrast to the early days when people were recruited to the police force with very little education. These men had to continue with their studies while they worked to improve their rank and status. He said: "Today, we find we've undergone a dramatic change. Higher standards have been set, and it is no easy matter today to get into the police force. "Now we demand people with at least a matric certificate. We also encourage our men to study and improve their qualifications." [Excerpt] [Durban POST NATAL in English 4-7 Jun 86 p 7] /9274

NEW TOWNSHIP FOR INDIANS--Offering middle-income group Indian families a whole new environment rather than just a roof over their heads is Dawn Crest, a new township on the Natal North Coast. Financed and managed by NBS Developments, Dawn Crest covers 25 hectares of countryside, and the majority of the 188 plots are positioned to give panoramic views of rolling green hills and sea. Designed by architects, the township offers a range of practically-styled two- and three-bedroomed units. Both plots and houses are designed to offer opportunities for future extensions, so the home a young family buys can grow with them. Built by Derreg General Contracts and Jenroy Construction, the two-bedroomed homes cost around R58,000, while the larger three-bedroomed houses range from R63,000. NBS Developments manager Tony Mackey says: "We have already sold 50 homes, and demand is growing daily. I am confident Dawn Crest will be sold out by March." A show day is to be held at Dawn Crest on Saturday and Sunday from 2 pm to 5 pm. To get there, take the R102 highway to Verulam. Turn left at the intersection which has a yield sign and follow the road. Turn left again into Mountview Road. Dawn Crest is 1.5 km along Mountview Road. [Text] [Durban POST NATAL in English 4-7 Jun 86 p 7] /9274

DURBAN BUSINESSMAN HELPS MOZAMBIQUE--About R250,000 worth of food is being collected by Durban businessman, Mr Mohammed Ali Ismail, for distribution to the drought-ravaged areas of Mozambique. He urged locals this week to contribute to his crusade to bring relief to large numbers of people. He said

he had already received R100,000 worth of food and that five containers were due to be shipped out of Durban harbour over the next few days. Mr Ismail, a regular visitor to Mozambique, said the prolonged drought had reduced the rural populations to destitutes. Once the food arrived in Mozambique, social workers would take on the task to distribute it to the rural communities most affected. "Some of the people have had no solid food for weeks. They are now surviving on the barest of essentials and at times that means only water," said Mr Ismail. [Text] [Durban POST NATAL in English 4-7 Jun 86 p 5] /9274

SURVEY ON INDIAN UNEMPLOYMENT--Indians were better off than the coloured community during the economic crisis, according to a survey released by the Central Statistical Service in Pretoria this week. While the survey showed a staggering 31,063 Indian workers or 10.2 percent of the employment force during the year ended February 1986 were without jobs, the coloured community saw their unemployment figures jump from 86,000 to 108,000 or by 25.6 percent. The economically active Indian population during this time was 304,277 and during the previous year 22,942 or 7.7 percent of 275,394 were without jobs, according to the survey. It also showed unemployment in January 1986 to February the same year jumped from 10.1 percent to 10.2 percent. The estimated number of unemployed for February 1986 when compared with the same period in 1985 shows the number of unemployed increased from 22,942 to 31,063, or by 35.4 percent. "Unemployment in respect of males and females increased by 34.2 percent and 37.4 percent respectively," according to the survey. During February 1986 only 13,246 Indians registered as being unemployed and during the previous year 7,353. The researchers said in their report it seemed that either the affected people did not realise the benefits of being registered, or were not contributors and consequently not entitled to benefits. According to observers, the figures are expected to rise even further during the present year which ends in February 1987. [Text] [Durban POST NATAL in English 4-7 Jun 86 p 5] /9274

CSO: 3400/1985

SOUTH AFRICA

DEBT NEGOTIATOR ON SADF RAIDS IMPLICATIONS

Johannesburg BUSINESS DAY in English 22 May 86 p 6

[Article by Gerald Prosalendis]

[Text]

FOREIGN BANKERS have yet to make up their minds about the implications of this week's SADF raids into Botswana, Zimbabwe and Zambia. Although there have been no immediate repercussions for the debt agreement negotiated in March between the SA authorities and SA's foreign creditor banks, foreign banks are closely watching for effects the raid might have on the SA economy.

Clearly, their overriding concern is how the raid will affect SA's ability to repay debt.

"We have reserved judgment but will assess the raid's impact on the economy. This includes examining the possibility of sanctions, which is closer, and internal political stability," says a foreign banker.

Says Finance Director General Chris Stals, who is SA's chief debt negotiator: "We should not exaggerate the influence this event has so far had on foreign bankers. It may not have a severe long-term effect on their thinking.

"So far, few of them have referred to it," he adds.

"The raid did create a lot of emotion immediately after the event. And politics are always in the background in our negotiations with these bankers. The event will obviously affect their decisions.

It will not, however, have a significant affect on negotiations in September."

That is when the SA authorities and creditor banks are scheduled to meet to discuss SA's economic situation, and more particularly whether the country could speed up repayment of its debt commitments.

But political developments will not be easily pushed aside.

"The meeting in September is only intended as a report back on economic developments, and by that time we will have many positive things to say politically.

"The banks hopefully will take a more balanced view. The raid was only one event in a whole chain of events," says Stals.

Nonetheless, many feel the raid, and the ensuing foreign condemnation, will undermine Stals' credibility with foreign banks.

"No doubt it is going to make it more difficult for Stals to negotiate," says a local banker.

There is also the possibility that Stals could be used as a punch bag for banks, particularly those in the US, to vent their frustrations because of further shareholder pressure, they say.

It is unlikely, however, that creditor banks will attempt to torpedo the present agreement. Un-

ravelling the ensuing legal nightmare — which could involve the UK courts — would not be for the fainthearted.

In any case, the authorities point out that foreign creditor banks are locked into the agreement at least until June next year.

Says one official: "That agreement cannot be changed fundamentally until next year — any changes would have to be mutually agreed to."

However, foreign bankers disagree that the present truce is quite so castiron.

"My understanding is that the March negotiations resulted in more or less a tacit agreement which depends on both sides continuing to negotiate rather than being one which is legally binding," says a foreign banker.

But the real danger is that overseas condemnation and the threat of sanctions could force the exchange rate to collapse. It has already done this to a degree.

And this, in turn, would weaken SA's reserve position, already at a seven-year low, and accelerate the flight of capital from the country, which would weaken the rand even further.

This would certainly give foreign banks something to worry about.

Already, there is a very real danger that SA debtors may find it

AFTER THE RAID: WEIGHING THE OPTIONS

DEBT STANDSTILL				
SCENARIO	UNLIMITED MORATORIUM	LONG TERM RESCHEDULING	LIMITED NORMALISATION	FULL NORMALISATION
	Total refusal to repay debt	Gradual repayment of currently blocked debts over several years, until a satisfactory low debt level is attained ● Annual repayments until 1990 postulated to be: — \$0.5 billion "inside the net" — plus \$1.5 billion "outside the net" in 1986 and \$1.0 billion "outside the net" annual thereafter	All foreign debt is rolled over from 1987.	Foreign sector agrees to roll over all foreign debt from 1987 and make nett new investments in South Africa at the same rate as the average for 1980-84.
PROBABLE IMPLICATIONS	<p>● Attachment of South African assets and export proceeds overseas</p> <p>● Imports and exports collapse</p> <p>LOWER WEAKER DECREASES</p> <p>Domestic expenditure, investment and growth</p> <p>HIGHER STRONGER INCREASES</p> <p>Rand exchange rate</p> <p>Dependency of rest of the world</p>			
ECONOMIC POLICY	Create a closed economy	Manage domestic expenditure, exchange rate in order to attain current account surpluses approx. equal to annual repayment.	Manage domestic expenditure, exchange rate in order to maintain (on average) current account equilibrium from 1987 onwards.	Manage domestic expenditure, exchange rate so that current account displays (on average) a small deficit from 1987 onwards.
ESTIMATED QUANTITATIVE EFFECTS: DEVIATION FROM BASIS SCENARIO	<p>● Average real growth rate, 1986 - 1990</p> <p>● Job creation (number per annum in formal sector), 1986 - 1990</p> <p>Basis scenario minus 1.4% per annum Basis scenario minus 94 000 per annum</p> <p>Basis scenario</p> <p>Basis scenario plus 0.3% per annum Basis scenario plus 18 000 per annum</p>			

Source: MERCABANK

more difficult to roll loans outside the standstill net. The long-term health of the SA economy is dependent on the amounts of foreign debt that can be rolled over.

This could mean that the Reserve Bank's initial estimate of a total of capital outflow of R5bn for the year — more than R3bn has left so far — may have to be revised upwards.

Repayments outside the net due to be rolled include trade credits, export guarantee credits and bond issues by public corporations.

If one takes a pessimistic view, our ability to roll these could be eroded by the raids and there could be a large outflow of capital this year, though not as much as last year," says one official.

Stals, however, is more optimistic. "The amount outside the net has already been substantially reduced," he says.

There is also the possibility that dividend payments by local subsidiaries of foreign companies could be stepped up. There is already a tendency for these companies to run down dividend cover quite le-

gally.

Perversely, the short-term effect of the raid could be helpful in future negotiations. Consumer and entrepreneurial confidence will take yet another knock.

Both consumer spending and fixed investment spending could be further reduced. And this will reinforce the downward trend of imports, which will benefit the balance of payments.

Concludes one foreign banker: "Our business is to invest in stable situations — we do not run the country. What we are looking for is a return to some sort of normality."

/9274

CSO: 3400/1913

SOUTH AFRICA

PAPER ANALYZES ECONOMIC COSTS OF RAIDS

Johannesburg FINANCIAL MAIL in English 23 May 86 p 39

[Text]

What, if anything, has Pretoria gained from the military strikes at alleged African National Congress (ANC) positions in Botswana, Zimbabwe, and Zambia? Given the immediate worldwide condemnation, and its economic reflection in the precipitate decline of the rand, their timing, at the very least, is questionable.

After Ronald Reagan's air raid on Libya, and the decision of the Tokyo summit on terrorism, it is possible that President P W Botha and the Cabinet calculated that world opinion would be muted: that the general climate is against terrorism. And there is clear evidence of increasing shipments of arms, bombs, rockets, and landmines being infiltrated into SA; indeed, the ANC has declared 1986 as the year of Umkhonto we Sizwe, its military wing.

The latest strikes are also being officially presented as pre-emptive in nature. Last week, Defence Minister Magnus Malan (currently hospitalised) said: "The circumstances in which we find ourselves are enough justification for operations against terrorist bases across our borders, should the threat originate there." He meant it.

In addition, it can be surmised, a little *kragdadigheid* will do the Nationalists no harm on the Right, whose parties have welcomed the raids. And for Pretoria belligerence has also paid some dividends in Lesotho and Mozambique.

Whether the SADF's raids — which left at least three dead — will prove in time to have saved lives at home remains to be seen. At this stage, no one in the international community equates them with the US's Libyan action — directed at a state that sponsors international terrorism.

Instead, SA's targets lay within the bor-

ders of three Commonwealth countries — and took place when the Commonwealth's Eminent Persons Group (EPG) was in SA pursuing its diplomacy for regional peace. As is now known, the basis of the EPG plan was the release of Nelson Mandela and other political prisoners in exchange for a moratorium on violence by the ANC.

A long shot — but better than intensified violence, which is crippling business confidence and forestalling economic recovery. Only two weeks ago, the political tide appeared to be turning slightly in favour of President Botha's reformist administration. The abolition of influx control impressed the West. And the EPG had noted that its initial negotiations had been "positive and constructive."

The initiative is now in ashes, and the EPG was leaving SA as the FM went to press. Some cynics (who are not always wrong) even contend that the raids were designed to smash the EPG's plan. That Pretoria never seriously intended negotiating anything with the ANC, which it blames for the unrest.

Does this mean that sanctions are inevitable? The EPG, it can be recalled, was established to assess the progress of reform in SA, precisely to stave off the prospect of sanctions. Perhaps it will be up to Margaret Thatcher to hold the line — for the rest of the Commonwealth wants retribution. But even in ignoring calls for sanctions in the UK House of Commons, Foreign Secretary Sir Geoffrey Howe condemned the raids. So SA is treading a dangerous path.

Our other friend, the US, has also sharply expressed its anger at SA's behaviour. Small wonder. Chet Crocker's years-long policy of constructive engagement has very little to show for itself. Southern Africa is in turmoil,

revolutionary forces are at work within SA, and Namibia is as far from independence as it ever was.

The pressures will be on Crocker to demonstrate to an increasingly sceptical electorate (with presidential elections just two years off) that constructive engagement is a game worth the candle. Pretoria is giving him very little to assist in an exceptionally difficult task.

World confidence in SA's stability this week was expressed in the price of the rand (touching US42,35c on Tuesday). Should the slide continue, hopes of lowering inflation will be halted in their tracks. Business confidence is at an all-time low and aggregate demand is going down, not up. With high unemployment, escalating unrest, deepening racial polarisation, continued disinvestment, the capital flight and emigration, all the ingredients are in place for a further erosion of the social fabric.

That means that any economic recovery -- which would create new wealth and jobs -- will be yet further deferred; and just how long can we afford matters to go on as they are? Any supply-side measures being contemplated by the State President's Economic Advisory Council will be increasingly less effective as the economy becomes wholly sensitive to political developments. Without some major political gesture -- such as Mandela's release -- the way ahead leads to

a siege economy and a siege mentality.

Were all these factors considered by government when it decided on the raids? If they were, and the hope was that the world would understand the South Africans' need to curb concerted terrorism and so reduce the overall level of violence, then Pretoria miscalculated. The gamble has not thus far paid off.

Part of the reason for this is that whatever is done about the ANC (and must presumably continue to be done as long as the organisation co-ordinates terrorism in SA), the origins of the countrywide violence do not lie in some Communist conspiracy, but in the social conditions created by apartheid.

It is difficult to believe, for example, that the ANC has any hand in what is happening in KwaNdebele. Pretoria is pushing the homeland towards "independence" in December, against the wishes of what appears to be the majority of the people who live there (see *Current affairs*). So a mini-civil war has broken out and most of the legislative authority members have had their houses burnt and are reported to be on the run. What was that P W Botha said earlier this year about a common South African citizenship?

Right now government must produce evidence that the raids were justified. If it cannot, then the economic and social cost, especially over the long term, may have been much too high.

/9274

CSO: 3400/1917

8 July 1986

SOUTH AFRICA

POLICE LAUNCH PROBE INTO AFRICAN BANK

Johannesburg BUSINESS DAY in English 22 May 86 pp 1, 2

[Article by Gerald Prosalendis]

[Text]

THE African Bank's authority to operate as foreign exchange dealer has been cancelled by the Reserve Bank in a move unprecedented in SA banking history.

Police are investigating alleged infringements of foreign exchange regulations and several of the bank's officials are understood to have been suspended.

Trust Bank has agreed to assume overall management of the African Bank on a temporary basis from today.

The suspension comes only one month after the bank was appointed to act as a fully authorised foreign exchange dealer. The drama came to a head yesterday.

Trust Bank senior GM Kobus Roetz, who will head the interim management team, said: "Yesterday evening Reserve Bank deputy Governor Japie Jacobs asked us to take over the management of the bank first thing this morning. We agreed to assist."

"There is no reason for panic. It will be business as usual tomorrow (today)."

He emphasised the probe did not involve the bank's day-to-day activities or its dealings in the money and capital markets.

Finance Minister Barend du Plessis last night gave assurances that arrangements would be made to allow the bank to execute incomplete transactions, subject to steps to protect the regular outflow of currency.

The bank would continue to have access to Reserve Bank accommodation. It was hoped it would return to normality and independence as soon as possible, he said.

sible, he said.

Monetary authorities launched their investigation after rumours of certain alleged foreign exchange irregularities had circulated in the market. Reserve Bank inspectors were called in to examine the bank's books last week.

It is believed they uncovered alleged foreign exchange irregularities and reported these to the Minister of Finance who decided to call in the police.

Most bankers refused to comment last night. "This is a very delicate situation," said one.

However, leading banks are known to have been concerned about African Bank's activities in the forex market.

"They have been very active traders in the market and their turnovers have been very large relative to their size," said a senior banker.

"The bank recently bought foreign exchange dealers from other banks and has been paying them handsomely," he said.

"This messy little thing is going to get a lot messier," said another.

The cancellation of the bank's licence to deal in foreign exchange comes shortly after an interim statement which saw profits rocket to R5,9m for the six months to March, compared with R160 000 for the 12 months to September 1985.

At the time MD Moses Maubane said most of the bank's corporate business had been off balance sheet. Most of the increase in corporate business was conducted on an agency basis with multinational clients.

The bank had the support of some US multinationals — mainly signatories to the Sullivan Code, he said.

No other banks are believed to be involved in or to have exposure to African Bank's foreign exchange dealings.

SOUTH AFRICA

FARMERS' DEBT GROWS, COOPERATIVES UNDER GREATER PRESSURE

Johannesburg THE STAR in English 5 Jun 86 p 17

[Article by Sue Leeman]

[Text]

South African farmers are now in debt to the tune of more than R11 000 million — and co-operatives are under great financial pressure, according to chief director of the North Western Co-operative, Dr A P Scholtz.

Dr Scholtz told a conference of agricultural co-operatives in Pretoria yesterday that about R2 739 million — 24,6 percent — of farmers' overall debt had been financed by co-operatives.

At the end of 1985, he said, the co-operatives owed the Land Bank a total of R2 739 million, R1 698 of which was emergency aid to farmers.

Dr Scholtz said there were considerable risks for the co-ops in extending this kind of credit and most administered these loans on exceptionally low margins.

Since 1982, there had been a rapid decline in the finances of co-ops as a result of the emergency aid they were supplying.

For one thing, their own capital now made up only 27,7 percent of their total financing and they were becoming more dependent on loans with ever-increasing interest rates.

'PERTINENT'

"The co-operatives are going to have to ask themselves if they are happy to and capable of continuing to take the responsibility for emergency aid — particularly that of farmers' rolled-over debt.

"This question is particularly pertinent because the Government does not guarantee unqualified security to co-ops for such emergency aid.

"In reality, the co-ops are still held accountable for any claims until they have proved that any credit granted complies with the Land Bank's regulations.

"The bad debt which can arise from this is not taken over by the State."

Dr Scholtz believed that, despite this the co-ops should go on financing farmers to the extent they had in the past — but they should look for ways to augment their own capital.

Minister of Agriculture and Water Supplies Mr Sarel Hayward, who opened the conference, said he had initiated negotiations between financial institutions to formulate a clearer strategy for granting credit to farmers.

GREATEST INCREASE

He said the private sector had an important role.

Between 1981 and 1984 agricultural assets increased by 40 percent while its debts rose by 147 percent.

The greatest increase in debt had been among those offering largely short-term credit, such as commercial banks and co-operatives.

Producers were now finding it difficult to meet their debts, even in good years.

Poor financing norms, the unco-ordinated granting of credit and too much liquidity among credit institutions in times of prosperity were some causes.

It was vital for all interested institutions to work out a joint strategy.

He had requested an investigation into merging the Land Bank and the Agricultural Credit Board.

"These are institutions which provide credit largely on the basis of ability to pay rather than pure security — an exceptionally healthy approach which must be expanded."

/9274

CSO: 3400/1933

NATION'S EXPORT DRIVE INTO EC MARKETS EXPECTED TO FOUNDER

Johannesburg BUSINESS DAY in English 30 May 86 p 9

[Article by Mick Collins]

[Text]

SOUTH AFRICA'S export drive into European Community (EC) markets is expected to founder in the long-term, says Dr Carl Weiers, agricultural attache at the German Embassy in Pretoria.

High production costs and unfavourable growing conditions for bulk products meant SA would have to look to non-EC markets, he said.

Weiers told a parliamentary agricultural study group in Cape Town local farmers stood little chance of retaining traditional European markets.

"However, a good chance still exists for low-cost production items such as wool and mohair. This also applies to high-quality products — wine and out-of-season fruit and vegetables."

He said the canning industry had lost 40% of exports because of US dominance.

"Long-term survival for SA's products will depend on developing footholds in non-EC countries through imaginative marketing."

Weiers warned that the world's agricultural industry would continue to be dominated by politics.

"In a number of countries policy is influenced in a small way by economic considerations. It is influenced to a larger

degree by socio-political thinking."

SA Agricultural Union (SAAU) spokesman Chris Bezuidenhout said problems were being experienced with exports and he agreed production costs were high.

"During the past year

farmers managed to counter this with favourable rand/dollar exchange rates and 70% of deciduous fruit and table grape production was exported.

"But export conditions are changing. Some of these changes are of an economic nature and some are political."

SOUTH AFRICA

CANADA MOVES TOWARD LIMITING STEEL IMPORTS

Johannesburg BUSINESS DAY in English 28 May 86 p 3

[Text]

THE door to North American steel markets closed a little further yesterday with the news that Canada may add steel products to its import control list.

Canada's federal government has instructed the Canadian Import Tribunal to reach a decision on carbon steel products within two months and on speciality products within four months.

Trade Minister James Kelleher said the proposed measure would give the steel industry quick access to information needed to protect itself against dumping and subsidies.

The Canadian move follows a US decision to limit steel imports. SA was one of several countries to sign a voluntary trade agreement (VTA) early last year limiting the level of exports to the US.

Total SA steel exports to the US last year were estimated at about 580 000 tons, accounting for 0.42% of US steel consumption.

SA steel industry officials said yesterday they were unaware of any complaint by Canada of SA companies dumping steel on to the market.

IsCOR, which accounts for about 75% of SA steel exports to Canada, described the potential new limitation as "an irritant rather than a catastrophe" for SA steel producers.

A spokesman declined to give figures for SA steel exports to Canada but described them as "relatively small". He added, however: "We would like to do business wherever we possibly can."

He added that IsCOR steel sales — both export and local — were on target for the first nine months of the corporation's financial year.

IsCOR was exporting to 80 countries, and exports were expected to be slightly ahead of the 1.93m-ton budget estimate. Current sales were down on the previous year, the spokesman said.

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CSO: 3400/1917

SOUTH AFRICA

COURT FREEZES UTAH DEALS IN GOLD, MINERAL MINES

Johannesburg BUSINESS DAY in English 22 May 86 pp 1, 2

[Article by Brian Zlotnick]

[Text]

WORCESTER Gold Mine succeeded in the Rand Supreme Court on Tuesday in bringing an interdict preventing Utah International from disinvesting or dealing in its wholly-owned SA and Namibian mining interests.

Action against Utah was brought by Worcester's lawyers, G B Liebmann, Behrmann & Co, after a decision by Utah to pull out of a merger with Worcester.

Utah is the Californian-based mining subsidiary of Australian giant Broken Hill Proprietary.

SA interests are held by Southern Sphere, which is actively involved in diamond mining at Taung, in Bophuthatswana, and has mineral deposits which include chromite, nickel, gold and tantalite in Namibia.

The Worcester group is involved in gold mining on a small scale in the Barberton area and has the second largest mineral rights after Anglovaal in this area.

The merger was intended to lead to a stock exchange listing by June.

In terms of proposals outlined by merchant bankers Mercabank, the enlarged group was to have raised about R20m through a public share offer and to initially have had a market capitalisation of about R60m.

Proceeds of the offer were to be used to establish grassroot mines and provide existing mines with much-needed finance to lift production and profitability.

Utah was to have held the majority of the equity (49%) and would have been relieved of the need to commit fresh funds from abroad to finance mining operations.

Moreover, it may well have intended to sell some of its shares, liquidate a loan of some R15m and repatriate the pro-

ceeds.

Profitability forecasts suggest that the enlarged group would by 1990 have a total revenue of R33.9m and pre-tax profits of R15.5m.

Worcester contends that the merger is legally binding and that Utah is planning shortly to disinvest itself of the disputed interests.

Director Bernt Honeth says the interdict will also prevent Southern from closing certain operations and laying off staff (a few hundred) who would be crucial to successfully implementing the merger.

"We are also negotiating with other parties to buy out Utah and proceed with the JSE listing," he added.

It is understood that major SA mining houses have held negotiations about acquiring Utah's wholly-owned SA mining interests.

Anglovaal confirmed yesterday that recent low-level discussions have taken place with Southern Sphere. Apparently nothing has come of them.

Utah's latest disinvestment move have so far not involved its important 70% stake in significant steam coal reserves at Delmas and a 30% holding in a gold mining project near Anglovaal's Lorraine.

Anglovaal is in partnership with Utah in these two projects and denies that it has been approached to buy out its partner.

In terms of the court interdict, Utah is to file answering affidavits by June 3.

Action to enforce the merger is to be immediately instituted by Worcester says, Benjamin Liebmann.

Honeth insists his prime intention is that the merger and listing should proceed and that out-of-court settlement discussions are continuing.

8 July 1986

SOUTH AFRICA

POLITICS, ECONOMICS LEAVE NATION'S SEA ROUTES IN DOLDRUMS

Johannesburg BUSINESS DAY in English 30 May 86 p 16

[Article by David Furlonger]

[Text]

THE SA sealandes were once a guaranteed moneyspinner for the world's shipping lines — but no longer.

Political pressures and the weakening rand have so disrupted SA's traditional trading patterns that today it is a brave shipowner who sinks his money into carrying goods to and from this country.

Latest official figures show that in February this year, only 568 431 tons of cargo were landed at SA's seven major seaports — the lowest total since February 1977.

Outgoing cargoes of 5,56-million tons were the lowest since April 1984. Total cargo handled at the seven ports — Richards Bay, Durban, East London, PE, Mossel Bay, Cape Town and Saldanha Bay — was 6,13-million tons, the lowest since July 1983.

Starved of cargoes, shipping lines are being forced to adopt drastic measures. US Lines, a member of the SA-US Conference consortium, has abandoned loss-making direct sailings between the two countries in favour of a trans-shipment service via Europe.

Safmarine, while maintaining a reduced direct service, is sending many of its US cargoes on the European dogleg route.

Members of the European

Conference — SA-Europe Container Services (Saecs) — are openly expressing doubt about the future of the Ocean Freight Agreement (OFA), which governs sea trade between SA and Europe.

Saecs' European members have become disenchanted with the agreement and sources say they are unlikely to press for its renewal when it expires in 1991.

As its part of the 1977 agreement, designed to guarantee a shipping service committed to the SA route, government guarantees to send its cargoes on Conference vessels and to "encourage" parastatals to do the same.

In return, Conference lines are limited to 12,5% return on investment in ships, and 10,5% in cargoes. In effect, they are receiving little or no return on investment. By 1984, returns were down to 2% and this year some lines fear they may receive no return.

They single out two chief obstacles — the weak rand, which has distorted cargo volumes by encouraging SA exports and discouraging imports; and the presence of non-Conference services on the route, both because they attract up to 20% of cargoes and because their lower rates force the Conference to charge what they consider un-

economic rates in order to maintain market share.

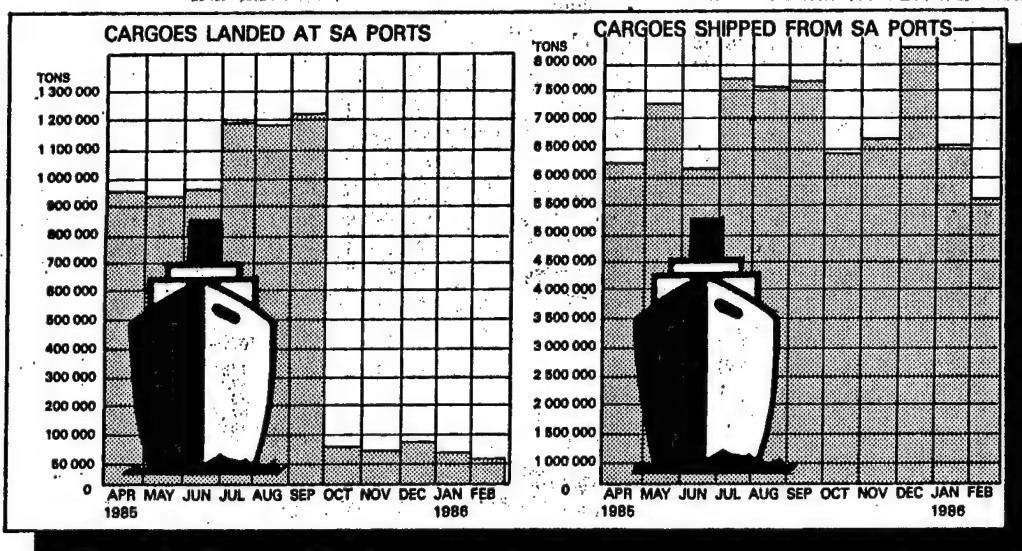
They also claim government is not doing enough to encourage parastatals such as SA Transport Services (Sats), or business in general, to use Conference facilities.

Many lines face replacement of their present fleets during the 1990s, and local Saecs chairman Neil Sempill predicts some European members of the consortium might be unwilling to re-invest.

"The OFA is unlikely to be renewed in its present form given the current state of the shipping market. Lines may decide to go for ships less dedicated to the South African trade and prefer to remain flexible in order to take ships out when needed."

The result would be a depleted cargo shipping fleet committed to the SA route — a dangerous option for a country reliant on sea trade.

Safmarine Senior GM Tony Farr, whose line carries an estimated 40% of Conference cargoes to and from Europe, says it is too early to speculate on the fate of the OFA. However, he adds that if fellow lines should review their SA commitment and the freight market continue its decline, Safmarine could swallow a large part of the market.



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CSO: 3400/1912

SOUTH AFRICA

RAND DEPRECIATION AFFECTS AIR FARES

Johannesburg THE STAR in English 4 Jun 86 p 15

[Article by Zenaide Vendeiro]

[Text]

The latest currency surcharge on overseas air fares will still not fully compensate airlines operating to South Africa for losses brought about by the depreciation of the rand, Mr Michael Hirst, British Airways' manager for Southern Africa, said yesterday.

Mr Hirst said it would be unrealistic to increase fares every time the currency depreciated as this could not be borne by the South African market.

COMPENSATION

However, there had to be a level of compensation, he said.

"The rand has depreciated by about 43 percent against the pound in the last year. Air fares, on the other hand, have only gone up by 11 percent in October last year and by 15 percent in January."

A spokesman for South African Airways said this disparity had resulted in air fares out of South Africa having dropped in real terms below similar fares to South Africa.

He gave the following examples of current fares:

● An Apex fare from London to Johannesburg costs R2 487 but the same ticket bought in South

EXAMPLES OF THE NEW AIR FARES			
Type of fare	Current fare	New fare	% increase
JOHANNESBURG — LONDON			
First class return	R5 831	R5 831	0
Business return	R3 890	R3 977	2.24
Economy return	R3 625	R3 707	2.24
Apex (high season)	R1 775	R1 903	10.59
Apex (low season)	R1 426	R1 576	10.52
Apex (shoulder)	R1 567	R1 733	10.59
JOHANNESBURG — NEW YORK			
First class return	R6 310	R6 975	10.54
Business return	R4 167	R4 627	15.84
Economy return	R3 295	R3 629	10.14
Apex	R2 326	R2 643	22.23
Super Apex	R1 379	R1 699	23.21
JOHANNESBURG — SYDNEY			
First class return	R6 999	R7 353	5.06
Business return	R5 113	R5 392	5.06
Economy return	R4 668	R4 902	5.06
Apex	R2 738	R2 909	9.53

Africa costs R1 775 — 21 percent less.

● A Super Apex fare from New York to Johannesburg costs R3 369 but the fare from Johannesburg to New York costs R1 379 — 23 percent less.

● An economy class ticket from Sydney to Johannesburg costs R5 333 but the fare bought in rands costs R4 666 —

eight percent less.

The spokesman said airlines operating to South Africa could not continue to absorb the losses incurred by the difference in income from tickets sold in rands as against tickets sold in other international currencies.

This had necessitated a currency adjustment.

8 July 1986

SOUTH AFRICA

EXPORT TRADE SEEN AS GOOD, IMPORTS SUFFERING

Johannesburg BUSINESS DAY in English 30 May 86 p 17

[Text]

THERE ARE basically three types of ships agency involvement. "Firstly, the liner trade is the cellularisation trade, containerisation. Regular cargo on a regular service between two countries," explains Graham Wood, development executive at Ace Haniel.

"Our major trading partner is the UK. The north-western Continent is looked after by the SA European container service, of which Safmarine is our national flag carrier, in conjunction with several European national flag lines.

"We are led to believe they are enjoying a good export market because of the rand/dollar parity, but imports are suffering and will continue to do so."

Import cargo is usually of a capital nature: heavy plant, machines and goods of a consumer nature. The freight rate is high. Shipowners' revenue when trading with SA is generated on import cargo, whereas our exports — raw material or agricultural cargo — is low in revenue.

Shipowners trading with SA rely on our import trade to cover costs and the exports are the cream on the top.

"Once imports suffer, as is presently happening, it has an adverse effect on revenue. Even though exports are running higher, that does not generate the usual total revenue as it would if imports were higher. They have a problem now."

"The bulk and tramp trade is what it says: they tramp the world — there is no regular service. They are only interested in bulk service, unpacked large tonnages where cargo is poured into the ship — like coal, iron ore, grain and maize."

From a ship's agency point of view they work on a charter party, whereby the ship is hired for a particular trip to whoever has the cargo. That contract outlines all the conditions involved in loading, travelling, etc.

"Despite political considerations, our raw materials are in great demand, which is helped further by the low rand.

"SA has become a good market, our price is right, commodities are good — promoted by the fact that freight rates negotiated are reasonable thanks to the low bunker fuel price.

"Finally, there is the service requirement trade, vessels coming in purely for the BSW&R — bunker, stores, water and repair — trade."

Cruise liners fit in there; they simply come in as part of their cruise. BSW&R was lucrative, but it has fallen off drastically.

Until recently Ace Haniel was in the freight forwarding industry. Now a policy decision has been taken to broaden the service industry base to include anything else that pertains to it — like ship's agency. The company tries to provide clients — importer or exporter — a total door-to-door service.

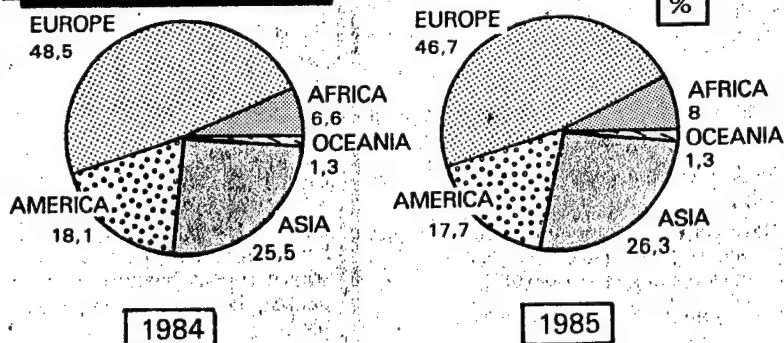
SA's TOP 10 MARKETS

Exports (Rm)

	1985	%	1984	%
USA	2 421,0	8,2	1 733,8	8,4
Japan	2 255,7	7,6	1 583,4	7,7
Britain	1 729,9	5,8	919,0	4,4
Switzerland	1 126,0	3,8	1 521,7	7,4
Netherlands	1 082,0	3,6	485,3	2,3
W. Germany	1 006,4	3,4	790,4	3,8
Italy	823,2	2,8	516,6	2,5
Hong Kong	514,6	1,8	373,6	1,8
France	503,1	1,8	456,8	2,2
Belgium	487,3	1,7	338,1	1,6
Total	29 675,3		20 695,9	

□ THE biggest national market for SA exports is the US, as the above chart shows. But the US accounted for a declining percentage of the total in 1985. By far the biggest decline among the top 10 markets was Switzerland (down 24%), while the biggest gain was in the Netherlands (up 123%). There was also a big increase in exports to Italy (up 59%).

WHERE THEY GO



EXPORTS BY ZONE
(EXCLUDES UNCLASSIFIED GOODS SUCH AS ARMS,
AND BALANCE OF PAYMENTS ADJUSTMENTS)

□ Europe is by far the biggest market for SA exports, followed by Asia and the US. But Asia is the fastest-growing. The increase in exports to Asia shown above continued in the first quarter of 1986. However, the growth of SA exports to the rest of Africa has significantly outpaced that of all other zones in the last two years. As recently as 1984, sales to Africa were growing more slowly than the growth of total exports. But in 1985 they increased by 77%, while total exports rose by only 44%. In the first quarter of 1986, compared with the same period of 1985, there was a further rise of 48%, while total exports rose only 14%.

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CSO: 3400/1913

8 July 1986

SOUTH AFRICA

CHEMICALS: IMPORTS OVERSHADOW EXPORTS

Johannesburg BUSINESS DAY in English 30 May 86 p 21

[Article by Arnold van Huyssteen]

[Text]

ALTHOUGH chemical exports increased over the past year on the back of the low rand, there has as yet been no major volume increases in foreign sales in an industry that also feels the pinch of a shrinking economy.

SA exports and re-exports of chemicals last year totalled R987,7m — 33% up on the R742,7m earned in 1984. A spokesman for the Department of Trade and Industries says these exports grew at a compound rate of 14,5% a year since 1960 — when they stood at R33,4 m.

And first quarter exports in 1986 was also 29% up on 1985, says a spokesman for Customs and Excise — R262,9m in 1986 against R201,9m in 1985.

But this comforting — if unrealistic — picture fades into relative obscurity when compared with the *import* of chemically-related products. These stood at almost R1,8bn in 1984 and jumped to nearly R2,4bn in 1985. And import statistics for the first quarter this year and last show the same picture — R516,4m in 1985 and R645,1m this year.

"What we really need is a properly managed, long-term industrial development strategy with an export focus, jointly devised by government and the manufacturing sector. We must look at the strong points of our economy — cheap coal and electricity, multitudes of minerals — and then devise a 20-year, labour-intensive growth plan for the economy," says AECI group MD Mike Sander.

He says, by way of example, that

the products of a coal-based chemical industry and the added value of a ferro-alloy industry, if developed further, could go a long way towards achieving the export potential of the economy.

Existing idle industry capacity of up to 50% could be utilised in an export drive, but this cannot be achieved overnight and would require a sustained long-term effort on the part of industry to secure a reliable position in an already overtraded export market.

"But we need to follow the example of the Japanese, the South Koreans and the Taiwanese, who created powerful industrial bases — in accordance with well thought out, long-term development policies — from where they launched their export thrusts into foreign markets. The Japanese Ministry of International Trade and Industry (MITI) is an example of the secure, long-term 'partnership' between government and industry that we need here," says Sander.

The proposal requires long-term government support for local investment, in order to provide the confidence in the local base, from which marginal export trading can be launched. "I do not believe in state subsidised exports, but in tax relief. Protection against dumping and distressed international prices would also give industry the encouragement that they will not be left in the lurch when the tide turns," adds Sander.

Chairman of the Committee of Enquiry into Export Incentives Basie Kleu says his committee is still investigating the whole issue, but

invites interested parties to submit their views for consideration. "Government will be selective in applying any stimulatory measures to promote exports — the game must be worth the candle," he says.

Meanwhile, AECl is leading the export pack with chemical exports valued at R233m in 1985, followed by Sasolchem with R139m and Sentrachem with about R106m. AECl has been steadily exporting 40 000 tons of PVC a year at an average \$500/t to 39 countries and is a major exporter in this field.

Sander says he expects low oil prices to continue for some years into the future. This could create a situation "where demand catches up with supply in the world markets and commodity prices recover to more realistic levels."

The medium-term outlook for commodities like plastics, chemicals, ammonia, ethylene and methanol are therefore not as bleak as they have been.

Sasolchem GM Andre Bedeker foresees lower export prices for some products, due to the oil price crash, although roughly half of Sasolchem's export products are not sensitive to oil prices.

"We expect a slight fall in gross export receipts in 1986/87. Apart from this, our product spread over various markets gives us a secure base against market fluctuations, while the general outlook remains fairly favourable. We aim to increase production in some areas to meet demand," he says.

Bedeker says exports provide roughly one-third of Sasolchem's gross income from chemical sales, while surplus capacity on the local market is increasingly utilised for additional exports. This contrasts with AECl, where exports provide only about 10% of total turnover at this stage.

Triomf Fertiliser is also active in the export field, although its 400 000 tons a year Richards Bay phosphoric acid plant is not breaking even.

"The export market is scraping the bottom due to overcapacity, while we also suffer from Foskor's high phosphate rock prices, SA Transport Services' high freight charges from Phalabora and the exorbitant costs of imported sulphur, which now costs \$135/t FOB Vancouver," says Triomf GM of purchasing Bill Sampson.

SOUTH AFRICA

SHRINKING EXPORT PROSPECTS BLOCKING RICHARDS BAY EXPANSION

Johannesburg BUSINESS DAY in English 30 May 86 p 17

[Article by Helga St Blaize-Molony]

[Text]

DISCUSSIONS over the expansion of Richards Bay Coal Terminal (RBCT) have suffered a further setback, owing to SA Transport Services' (Sats) plans to raise rail rates.

Shrinking export prospects are also obstructing expansion plans which have been in abeyance for over a year.

The key to the problem is finance. The RBCT was financed and established by its present users, which include the major collieries in SA. At present, it is designed to handle up to 44-million tons of coal a year. This year, the RBCT is expected to export 40-million tons.

Phase three of the RBCT allows exports to go up to 52-million tons by 1988. Most of this tonnage is produced by present users.

But under phase four, export authorities have been granted to a number of small mines and collieries, bringing tonnages up to 84-million tons altogether, 80-million tons of which is destined to go through RBCT.

Phase four's expansion plan entails two stages: the low-cost Brownfields stage (a) for which some infrastructure already exists; and the much more costly Greenfields stage (b)

which would be implemented later and which the new users were expected to undertake.

The scheme, drawn up by producers when burgeoning export growth was expected up to the year 2 000, was viewed by the newcomers as unfairly prohibitive in cost. Negotiations have been underway to find an alternative solution.

However, now all such discussions have come to a temporary halt, says Icodev MD and chairman of the Large New Users (LNU) Alan Tew.

Not only has inflation made any capital expenditure even less attractive but also the prospect for soaring exports has dramatically declined. Producers are already struggling to maintain contracts overseas and tonnages through the RBCT are down.

It had already been agreed earlier this year that the terminal should not be expanded to full capacity, but only to handle 70-million tons a year by 1992-2000.

Now railage rates have added a further obstacle. Producers face increases of up to 50% in rail charges, or R7/t when current transport contracts expire in March next year. Coal producers are still hoping to beat Sats down, but "until we know

what costs are going to be, we cannot go ahead with plans," says Tew.

An alternative transport plan has also been thrown into disarray by declining exports. Some of the smaller users, headed by Independent Coal Producers Association chairman Danie Kirsten, were negotiating with Sats over the purchase and expansion of the Durban coal terminal.

However, industry sources report these negotiations have come to a standstill as the terminal is not being fully utilised. Yet, over the past two years, exporters struggled to find space for their tonnages.

The financing of this project is also fraught with problems now aggravated by the recessionary climate. Says a source: "There are many producers who would like to be in on the scheme. Sometimes as many as 50 seem interested when the rand is right, and no doubt if the coal price was more favourable."

"Expansion of the terminal could cost anything from R80m to R200m. It all depends on how many users there are and how much they are prepared to pay. At the moment, no-one seems prepared to pay anything."

/9274

CSO: 3400/1913

SOUTH AFRICA

SAND DUNES NEAR RICHARDS BAY RICH SOURCE OF MINERALS

Johannesburg THE STAR in English 4 Jun 86 p 10

[Article by Stan Kennedy]

[Text]

A rich source of foreign currency for South Africa is being recovered from sand dunes near Richards Bay in the form of rutile, zircon and ilmenite.

Gencor, which has a 25 percent interest — the balance is held by overseas interests — says in its annual report that 1985 was a record year in all respects for the company.

High sales volumes were achieved which, together with higher rand prices, gave record revenues. The net result was a substantially improved profit with a R60 million dividend distribution to shareholders.

Richards Bay Minerals has been mining the sand dunes near Richards Bay for the past 10 years, using dredgers which float on man-made fresh-water ponds. The sand is sucked up by the dredger and pumped to a floating gravity concentrator where the minerals are extracted into a concentrate. They are then taken away for separation by smelter.

The rutile and zircon are sold on the international market, while the ilmenite is processed further to produce a high titanium slag and a high-purity pig iron.

Expansion plans have been approved for a third smelter, a slag re-grind plant and an increase in mining capacity.

To uprate the extraction of

minerals, BTR Sarmcol has designed and developed a corrosion-resistant rubber dredge and tailings hoses.

The dredge hoses are 600 mm in diameter and free of wire and cable reinforcement, which has been a drawback in the past because of corrosion problems in the severe coastal conditions.

Though of soft-wall construction, they can withstand the normal suction pressure conditions without collapsing. A particular advantage, says BTR Sarmcol, is the ease with which a dry clog can be detected and freed.

The tailing hose is 381 mm in diameter and both have been designed for little or no movement under pressure. This is an important feature as it helps to stabilise the floating platform on the pond.

Rehabilitation is an important environmental aspect of the mining operation. Mined-out land is re-covered with topsoil and the dunal vegetation is quickly re-established. It eventually shows no sign that a major mining operation had been undertaken.

A further feature of the new hose is that a 65 percent higher longitudinal pull can be exerted on it without damage to the fittings. As a result, the hoses can be used to stabilise the barge during high winds.

/9274

CSO: 3400/1933

SOUTH AFRICA

WEAKER RAND DISGUISES MINERAL EXPORT SITUATION

Johannesburg BUSINESS DAY in English 30 May 86 p 16

[Article by Roy Bennetts]

[Text]

ON THE surface, last year's mineral sales hit record heights climbing from just over R19bn in 1984 to nearly to R25,9bn, with mining companies being accorded accolades for producing sky-high profits. Unfortunately, this was only true in local terms, due to the downward slide of the rand against the dollar.

During 1984, exports accounted for 84% of the country's total mineral sale's revenue, injecting \$11,1bn into the country's coffer against a rand valued at \$0,69.

Last year export sales rose to 87% of the total value of mineral sales, climbing by 40% to R22,5bn.

However, this gained the lower amount of \$10,4bn because of the rand's slide to an average of \$0,46 for the year.

Calculated against the dollar, the value of local and export mineral sales dropped by nearly 10%, from \$13,2bn in 1984 to \$11,9bn last year.

Gold continued to lead the field inspite of a drop in production from 680 tons to 670 tons.

Export revenue for the metal jumped by 32% from R11,6bn to R15,3bn but in dollar terms fell by 11% from \$7,9bn to just over \$7bn.

In the context of the gold price there is little to suggest any significant change in the average levels for the current year.

During January, dollar gold prices improved and touched \$380 at one point. However, the upward trend was seen by some analysts as a covering of short positions rather than a net new phase of demand.

At the beginning of 1985, when the dollar was particularly strong, it appeared reasonable that dollar gold prices would improve as the dollar parity, against other major currencies,

returned to more normal levels.

In practice, this did not happen; dollar gold prices remained substantially unchanged as prices in other currencies eased.

This leads analysts to reiterate that the dollar value of the metal remains the determining factor in the market, at least in periods of weak gold demand.

□ Coal was the shooting star of the last year with an 83% gain in export values from R1,7bn to R3,1bn, and tonnage increased by 15,9% to 44,3-million tons. But, unlike gold, this resulted in an increase of foreign currency from nearly \$1,2bn to \$1,4bn.

Outlook

Local sales values were increased by 11,6% at R1,9bn, with a marginal rise in the amount sold at 124-million tons.

However, the outlook for SA coal appears rather black, with first boycotts from several European countries followed by a crash in the price of crude oil.

The halting of SA coal shipments by France and Denmark is expected to release up to 6,5-million tons of steam coal onto the oversupplied international market.

This in turn will help to further depress the price paid by consumers,

which is believed to be at the already uncomfortable level of \$30 a ton.

Brokers are already predicting exports in the current year will not rise above the previous year's 44-million tons which, at the lower sales price, could mean a drop of nearly R500m in exports values, provided the rand remains at its present levels.

Present world coal production is now sufficiently high to allow for the complete banning of SA coal exports, which would delight rival producers and exporters Australia and Columbia.

□ SA diamonds sales last year gained nearly 49% in value at R773,6m (\$355,9m) compared with R519,4m (\$358,4m) in the previous year, with a marginal decrease in the amount of carats sold at 9,6-million.

De Beers' Central Selling Organisation report total sales of rough diamonds in 1985 increased by 13% to \$1,8bn, with world retail sales of diamond jewellery exceeding the 1984 figure by 3%.

Production from the De Beers mines and Debswana, in which De Beers has an equal partnership with the Botswana government, fell by 85 000 carats to 23,2-million carats.

However, this drop was attributable to a lowering of recovery at Debswana, which suffered a shortfall of 279 000 carats at 12.6-million carats, as a result of a slightly lower grade at Orapa and the planned mining of the lower grade satellite pipe at Letlhakane.

The SA mines produced an additional 214 000 carats, which was in the main due to a higher underground grade at Premier.

□ Total demand for platinum in the West increased by 5.6 tons to 87.4 tons, which brought 1985 close to the peak demand year of 1979, with hoarding and the autocatalyst and jewellery sector being mainly responsible for the growth pattern.

Hoarders

Japan remained the largest regional market, accounting for about 44% of total Western demand at nearly 40 tons.

The currency factor also helped demand from hoarders for investment items up to 100g to grow from under half a ton of the metal to nearly 1.1 tons.

In the US, the motor industry remained by far the largest outlet, accounting for over 60% of national demand which in turn represents over

36% of total non-Communist demand.

Record car sales in the year pushed up the demand for the platinum autocatalyst, while hoarding rocketed by 3.1 tons to 4 tons.

Soviet exports to the non-Communist countries fell in 1985 for the third year in succession, with shipments of 7.2 tons estimated to be 20 000oz lower than in the previous year.

Sales by the Soviets have fallen to this level only once in the past 25 years.

While demand for platinum has continued on an upward trend, supplies have generally outpaced purchases since 1981. However, last year just over three tons had to be withdrawn from stockpiles to meet demand.

With the prospect that the shortfall could be increased in the current year, due to the loss of recovery at the Impala mine, broker Johnson Matthey is optimistic about the metal's immediate future.

□ Copper appears unlikely to break out of its current limited trading range despite a steady fall in stocks, say overseas analysts.

At the beginning of May the London Metals Exchange (LME) recorded a high of £950 ton, with the metal currently trading between £940 and £930 ton.

There are signs of an increasing squeeze on grade A copper supplies, particularly for the final month of the forward contract and high grade cash metal has been commanding a slight premium over three months A grade material.

Copper stocks held at the LME warehouses have dwindled to a 10-month low of 132 600 tons with a steady outflow of material evident for the past five months.

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CSO: 3400/1912

8 July 1986

SOUTH AFRICA

AMCOAL FORECASTS LOWER EARNINGS FOR 1986

Johannesburg THE CITIZEN in English 4 Jun 86 p 22

[Article by Madden Cole]

[Text]

THE uncertainties facing the South African coal industry has probably never been greater than at present and Amcoal forecasts lower earnings for the current year, chairman WG Boustred says in his annual review.

Mr Boustred points out that the prices for export coal are under pressure in dollar terms and a higher average dollar/rand exchange rate for the year, together with working costs escalations are expected to reduce earnings for exports.

Lower interest rates will also depress earnings on Amcoal's substantial cash balances. These adverse factors however will be offset to some extent by higher sales to Escom from new collieries and it is expected that the result

will be satisfactory and that the dividend will be maintained.

He says South African coal exports in 1985 increased by 6,6 million tons to 44,7 million tons while export through Richards Bay increased to 39,6 million tons in line with the Phase III expansion profile. Total foreign earnings from coal exports rose by about 80 percent to R3 079 million.

While Amcoal's own export tonnage in 1985 reflected its share of the increased throughput of Richards Bay, the tonnages exported in the last quarter of the financial year, were at a lower rate than in the first nine months of the financial year, Mr Boustred says.

Referring to the inter-

nationally-traded steam coal market, he points out that increased availability from established suppliers became a feature in the market as the year progressed and spot prices began to fall.

This tendency has continued into 1986 and has been accelerated by the sharp decline in oil prices. South African coal prices too have been further affected by decisions of certain countries to reduce or eliminate their dependence on South African coal because of their unfavourable perceptions of the political situation in the country.

Mr Boustred explains that latest indications are that the anticipated increase for 1986 export tonnages will not materialise and expects that there will be continuing pressure on export prices which will result in the current year being a difficult one for coal exporters.

He feels that the proposed increase in base rail rates for coal exports as well as rates being fully indexed by annual changes in the Production Price Index, could seriously affect the future of

coal exports by leading to hyperinflation and result in South African coal exporters being unable to remain competitive in international markets.

Referring to the domestic market, Mr Boustred says Amcoal achieved an increase of 1,4 million tons in sales to Escom while sales of bituminous coal by the TCOA declined by 4 percent to 16,2 million tons.

And in spite of a negative growth rate of one percent in Gross Domestic Product in 1985, there was an increase in demand for power by the energy-intensive mining and heavy industrial sectors as a result of increased export activity, enabling Escom to achieve a growth in electricity sent out of 4,6 percent in 1985.

During the year AECL and Amcoal continued with an evaluation of a synthetic fuels plant and some progress has been made between AECL/Amcoal and the Government in this regard, Mr Boustred said.

With Amcoal's strong coal holding position improved by the acquisition of new reserves and the further consolidation of several major blocks, proven recoverable reserves now available amount to some 13 500 million tons.

8 July 1986

SOUTH AFRICA

TRANSSVAAL FACING CONTINUED DROUGHT, WATER CRISIS

Durban THE DAILY NEWS in English 29 May 86 p 14

[Text]

PRETORIA: Water consumption in the Transvaal is still rising, with no end to the devastating drought in sight.

Meanwhile, water reserves are on the decline — while the Transvaal catchment areas have yet to receive rain this month.

The latest figures released by the Rand Water Board reveal that consumption has risen from one percent above the quota allocated to municipalities by the board for the month of April to 5,2 percent above quota.

In comparison, Transvaal dams are 24,9 percent full against the 25,2 percent of last week.

The chairman of the Rand Water Board, Mr Dave Hobbs, commented that although such fluctuations are not unusual, the situation is being viewed seriously.

Commenting that gardens should not be watered at this time of year, he would expect consumption to drop rather than to rise, he said.

"We expect municipalities not to exceed their allocated quotas."

A Pretoria City Council spokesman confirmed that water consumption has

increased from 2,4 percent above quota for the month of April to 3,2 percent above quota.

The council appealed to residents to use water in a responsible manner.

The Vaal Dam is at present 18,7 percent full, Bloemhof is at 2,9 percent and Sterkfontein is at 29,9 percent. The Woodstock dam in Natal, which feeds Sterkfontein, is at 99 percent.

No rain has fallen in the Transvaal catchment areas this month.

■ NATAL'S dams are still filled to the brim as a result of abundant downpours during the rainy season.

Midmar Dam is 97,9 percent full, while Albert Falls is filled to the 97,2 percent mark. The combined capacity of both is 97,4 percent. Drinking water is being pumped from both dams, which were 100 percent full last month.

The relative outflow at Midmar Dam is 1,45 cubic metres a second and four cubic metres a second at Albert Falls.

Nagle Dam is 88,8 percent full, two percent up on last month's reading of 86 percent.

The level of most dams is expected to decrease slowly over the next few months, as no further rain is expected until October.

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CSO: 3400/1986

SOUTH AFRICA

MERVEST ACQUIRING DIAMONDS IN DEEPER WATERS

Johannesburg THE CITIZEN in English 2 Jun 86 p 24

[Text]

MERVEST, mining diamonds off Port Nolloth, is recovering stones in increasing numbers, having acquired a new vessel to work in deeper waters.

In the company's annual report, chairman Jack Walsh says that the larger vessel, the MV Urania, has been equipped with highly sophisticated diving technology to enable it to evaluate the 85 percent of Mervest's sea diamond concession areas previously beyond the reach of its fleet.

Mr Walsh states that prospects appear highly favourable. In the month that it has been operating, the Urania has recovered diamonds in increasing numbers in waters beyond the 20-metre depth limit of the rest of the company's fleet.

Listed

Mervest, which during the past year acquired the total shareholding of the Marine West group, was listed on the Development Capital Market last February.

Mervest has two sea diamond concession areas off the west coast, areas 2A and 3B, and in October extended its mining interests on-shore with

the acquisition of a small mine at Kwaggaskop in the Vanrhynsdorp district. This is expected to contribute to Mervest's profitability in the coming year.

The company has also acquired the port and warehousing facilities, together with certain private properties, at Port Nolloth from Consolidated Diamond Mines for R405 000, which compares with an estimated true asset value of over R2 million.

Self-sufficient

The acquisition will make Mervest self-sufficient in terms of housing, off-loading and servicing facilities at Port Nolloth, and allow for considerable future expansion.

On future prospects, Mr Walsh says that given normal operating conditions for the second half of the year, Mervest will achieve the earnings forecast of 3c a share. The company intends to apply to the JSE "as soon as prudent" for its listing to be transferred from the DCM sector to the Diamond sector.

The shares at 35c yield an historic 5,4 percent on the 1,5c paid for the nine months ended December, 1985.

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CSO: 3400/1925

SOUTH AFRICA

NEW FACILITY OPENED AT OPTIMUM COLLIERIES

Johannesburg THE CITIZEN in English 2 Jun 86 p 24

[Text]

OPTIMUM Collieries' multi-product facility, which will enable the open cast colliery to increase its delivery to the export market from 3,5 million tons a year to 5 million tons of high specification product, has been opened by Escom Electricity Council chairman John Marce.

The export expansion facilities incorporate the latest cyclone and spiral plants backed up by computerised technology to the nearby Hendrina power station.

Optimum has been the sole supplier to the power station since 1987 and currently supplies it with

6 million of coal a year.

The expansion project started in September 1981 after prospecting and investigations proved that extensive additional reserves existed adjacent to the Optimum coalfield.

Further expansion was initiated with the commissioning of two additional Marion 8 200 draglines as well as the construction of a R46 million cyclone and spiral plant started in September last year.

Optimum's present mineable in-situ coal reserves and its extensions are sufficient for about 60

years at present mining rates while project life is

30 years of multi-product strip mining operations.

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CSO: 3400/1925

8 July 1986

SOUTH AFRICA

BRIEFS

FARM JOBS DWINDLING--Deputy Agriculture Minister Gert Kotze told the House of Representatives yesterday that farming was in a serious condition. He added, replying to the debate on his budget, that jobs in the sector were dwindling. The 70,000 farmers employed 1.5-million workers who, with dependants, totalled 6.5-million people. The reason farmers in drought-stricken areas were assisted was to ensure they stayed on the land. "If they do not, then, following the scrapping of influx control measures, the labourers will urbanise. That is precisely where there are no jobs." The White Paper on agriculture had spelled out government's aim to see to higher job qualifications for farmers, managers and labourers because these ensured better productivity. Koetze supported the idea of a Western Cape agricultural school for coloureds. [Text] [Johannesburg BUSINESS DAY in English 22 May 86 p 4] /9274

MINING IMPORTANT JOB CREATOR--Employment is the most tangible benefit provided by the mining industry for South Africa and countries outside its borders, Chamber of Mines president Clive Knobbs said in Pretoria yesterday. Speaking to the conference of the Federation of Societies of Professional Engineers, he said the mining industry provides a total of 720,000 jobs, which represents one in every seven persons working outside the agricultural sector. Knobbs said more than 1,470m in deferred pay and remittances flowed to labour-supplying territories in Southern Africa from the earnings of migrant mine workers last year. Regarding the mining industry's importance to the local market, Knobbs said it consumed stores valued at \$6.7 bn in 1984, most of it bought locally. The industry's contribution to gross national product rose to an average of 16% in the past five years. The multiplier effect of the mining industry also operated in the field of taxation, he added. Mining taxation accounted for about 9.5% of government revenue in the year to March 1985. Knobbs added that mineral sales abroad provided the country with two-thirds of its foreign exchange. [Text] [By Gerald Reilly] [Johannesburg BUSINESS DAY in English 23 May 86 p 2] /9274

CONSUMER CRISIS BARS ECONOMIC RECOVERY--A crisis in consumer confidence seems to be blocking consumption expenditure, the normal conduit to economic recovery, according to Davis Borkim Hare's current Market Review. Government was likely to fill the gap with higher state spending, and a tax cutting package could be expected in the next few weeks. This could be a 2% GST cut, or a package consisting of a loan levy repayment, PAYE rate reduction and import surcharge cuts. "We expect the economy to start a sluggish recovery during

the current quarter, abetted by a state spending increase. However, it will be difficult to achieve the official projected growth rate of 3% for 1986," it said. Promise of a recovery in the economy, which seemed on the cards late in 1985, seemed to have dissipated. The current account of the balance of payments had deteriorated drastically, unemployment was rising fast, credit demand was stagnating and retail sales--particularly car sales--had turned down. Exports were performing badly, as in the first three months of the year, merchandise exports were up only 13% on the same period in 1985, without a better export-performance pressure on SA. Consumer spending had failed to respond to lower interest rates. This signified that, faced with declining real incomes and job uncertainty, consumers were not prepared to up their spending or debt commitments. [Text] [By Gerald Reilly] [Johannesburg BUSINESS DAY in English 29 May 86 p 2] /9273

ANTRACITE COLLIERY OPENED--Gencor's new R86m anthracite colliery in Zululand has opened officially. The coal producer will supply 875,000 tons/year for both the domestic and overseas markets such as the United Kingdom, Europe and the Far East. During its expected 22-year life, the colliery will recover a high quality low sulphur anthracite to augment last year's total export of 3.8-million tons of this sought-after commodity. In 1985, the total value of all anthracite sales in South Africa amounted to R315m, or 6% of the value of all coal sales. To provide facilities for the mine, 15km of road had to be constructed and 45km of Escom power lines and 50km of telephone lines erected. [Text] [By Roy Bennetts] [Johannesburg BUSINESS DAY in English 29 May 86 p 9] /9274

FREE TRAINING OFFER TO JOBLESS--An offer of free training to unemployed construction workers in the Eastern Cape has been made by the Portland Cement Institute's (PCI) School of Concrete Technology. PCI regional director Chris Thompson said: "A limited number of seats are available on the basic concrete technology course in Port Elizabeth from June 16 to June 20." Applicants should hold a matriculation certificate or N3 Technician's Diploma and will be required to furnish proof of unemployment. [Text] [Johannesburg BUSINESS DAY in English 29 May 86 p 9] /9274

BLEAK CONSUMER TREND--The outlook for growth in consumption expenditure this year is bleak, although it should be better than it was last year, says the Stellenbosch University's Bureau for Economic Research (BER) in its latest Trade and Commerce review. Growth in real consumption expenditure is expected to decline in all categories except non-durables. This assumption appears to be based on polls of consumer confidence and their attitude to buying. The BER consumer confidence index nudged positively for the first time in seven quarters when it reached 102 in the second quarter of this year. The index on buying mood shows that although still relatively negative at 78 for the second quarter of 1986, it showed a mild advance on the 73 for the comparable quarter of last year. Even though most of the respondents to the survey believe that the economy and their own financial positions will improve in the next 12 months, "the consumer seems reluctant to put his money where his mouth is," reports the BER. The survey reveals that wholesalers experienced an increase in the sale of consumer goods in the first quarter of this year and that they expect this mood to follow through. They have increased orders to their

suppliers, although 21% of businesses polled report they were overstocked. Wholesalers expect prices to rise. The retail trade, too, experienced an increase in sales. [Text] [By Harold Fridjhon] [Johannesburg BUSINESS DAY in English 29 May 86 p 3] /9274

ORANGE RIVER DEVELOPMENT PROJECT--Cape Town--A total of R64.1 m is earmarked for expenditure on the Orange River development project in the 1986/7 financial year, the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, has disclosed. The complete date for the project involving three separate schemes has been brought forward as part of the job-creation programme in the Eastern Cape. Replying to a written question from the PFP MP for Port Elizabeth Central, Mr John Malcomess, the minister said the expenditure was subject to the allocation of the necessary funds from the Treasury and approval by Parliament. The minister said it was intended to spend a total of R306.7m on the project at 1986 prices, a further R63.9m being allocated for 1987/8 and R55m for 1988/9. He added that totals of R45.8m, R45m, and R32.9m would be spent in subsequent years. [Text] [East London DAILY DISPATCH in English 21 May 86 p 5] /9274

NEW FISHING TECHNIQUES URGED--Cape Town--South African fishermen should learn the "long line netting" technique to catch fish outside the country's territorial waters, the Minister of Environment Affairs and Tourism, Mr John Wiley, said in the House of Delegates yesterday. "By so doing we too can fish these waters where Japanese and Taiwanese fishermen are now catching," he said. He said no foreigners were fishing inside the Republic's territorial waters, but the "international community" was raping the South West African waters. Fishermen from four foreign nations were entitled to catch a total of 140,000 tons of fish outside of South Africa's waters. The position was being watched carefully, he said. [Text] [East London DAILY DISPATCH in English 21 May 86 p 5] /9274

RECORD WOOL EARNINGS--For the third consecutive year the South African wool industry earned a record income from wool sales and this season's market realisation came to R428 million. This is 6.3 percent higher than the previous season when R402.8 million was realised. This was made known in Pretoria at the weekend in a statement by the Wool Board after the season drew to a close when the last auction was held in Port Elizabeth last week. The chairman of the Wool Board, Pieter van Rooyen said in the statement the most important reason for the increase in income was the low value of the rand against the currencies of the most important wool importing countries, especially during the first half of the season. During the course of the season the value of the rand fluctuated by up to 30 percent, which hampered trading conditions. However, exchange rates were monitored throughout, and reserve prices were adjusted accordingly. This resulted in farmers receiving the full value for their wool. Mr Van Rooyen said the increase in income occurred in spite of a further drop in wool production by 5.6 percent to 02.7 million kg. The low production figure can be attributed to the drought, which since 1980 has caused extensive damage to natural grazing, as well as more favourable prices for mohair and meat. [Text] [Johannesburg THE CITIZEN in English 2 Jun 86 p 24] /9274

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SOUTH AFRICA

SUGAR INDUSTRY ETHANOL PROJECT DISCUSSED

Johannesburg BUSINESS DAY in English 23 May 86 p 2

[Text] The goal posts for the sugar industry's ethanol project have been shifted in the past 18 months, SA Sugar Association chairman C van der Pol said yesterday.

He was commenting on the remarks of civil engineer Brian Preen, who has been commissioned by the association to undertake a feasibility study into ethanol production.

Preen estimates that 26,000 jobs could be stabilised or created if an ethanol project were to go ahead.

Van der Pol said that since the industry began a more serious look at ethanol about 18 months ago, the world sugar price had risen from 2.5 U.S. cents to 8c a pound, while the crude oil price had slumped from \$25 to \$14 a barrel.

An ethanol project would cost about R60m, and once the industry had undertaken to provide ethanol for blending with petrol or diesel, it would be "locked in forever."

The supply of ethanol could then have a higher priority than sugar for the domestic market, Van der Pol said.

A positive factor had emerged recently in government's decision to reduce the lead content of petrol. However, ethanol was not the only route for the oil companies to maintain octane levels, which was now done by adding cheap tetra-ethyl lead.

Van der Pol described the change in the ethanol picture over the past year as dramatic and, as a consequence, it would not be possible to forecast the number of jobs which would be created or stabilised if, and when, the decision was taken to build an ethanol plant.

/9274

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SOUTH AFRICA

TUGELA RIVER BASIN DEVELOPMENT PROJECT

Durban THE DAILY NEWS in English 26 May 86 p 9

[Article by Richard Cluver]

[Text]

THE LAST major effort of the doomed Natal Provincial Council could be a bid to reawaken an old dream — a major industry scheme for the mighty Tugela River basin.

A big selling campaign is due to be launched within a few weeks.

Considering the dire water shortages experts say will start hampering South Africa within a few decades as the population explosion catches up with limited resources, Natal's water supplies guarantee a growing importance for this region.

Although the province occupies only eight percent of South Africa's land, it has 40 percent of its water.

More than anywhere else, that water is concentrated in the Tugela River and that is what makes this 600 kilometres of winding valley and plain possibly the most important place, strategically, in all of South Africa.

Water in abundance is, however, just the beginning of the bounty with which this valley is blessed.

It has its own coalfields and is thus assured of cheap electrical power. It is also close to the two greatest seaports in Africa; Richards Bay and Durban.

Richest of all is its human

resources, for within it and close to it lives the greatest concentration of people in sub-Saharan Africa and most of them are jobless.

All this means that the Tugela River basin will become the industrial hub of South Africa.

Indeed, it might well be argued that it would be foolish to build most major factories anywhere else in the country — for this could spark massive relocation costs early next century.

Surprisingly, given these facts, Natal has tried without apparent success since 1951 to sell the Tugela to the rest of South Africa.

In that year the Natal Town and Regional Planning Commission was formed to study and plan the valley's future.

In 1964 Natal's Town and Regional Planner, Mr E. Thorington-Smith unveiled a blueprint for a city of 2.5-million people straddling Ladysmith and Colenso and verging on Estcourt.

It would be a city built to give its citizens maximum breathing space. There would be blocks of skyscrapers interspersed with green strips and traffic-free zones.

No buildings would be allowed to front onto the mesh of motorways. Residential

"clusters" would be linked by feeder roads and their size and density would be carefully governed.

No resident would live more than five or six kilometres from open farming country and in the main city area a green "heart" would incorporate a chain of man-made lakes on the Tugela. There would be spectacular views of the Drakensberg from high ground on places like the historic Spioenkop.

Other cities would rise in the Tugela complex as the flush of industry spread to Newcastle, Dundee, Mool River and Mandini.

The planners of the 1960s persuaded the Government to accept the value of the project and various industrial developments were advanced as "starters".

Much of what was then only a fond hope of the Natal visionaries has since come about. One such project was a third Iscor, another the building of the Spioenkop Dam. There were also faint hopes that Richards Bay could be developed as a harbour, though that seemed a bit ambitious to sell to the Government at the time.

Ironically, one project the planners viewed as a certainty was a nuclear power station near the mouth of the river, but there was impatience that building would not begin until 1970!

Now with the advantage of hindsight, one can possibly say that the dream is being fulfilled. The development is happening, although rather more slowly than Mr Thorrrington-Smith expected.

And given the fact that the Government did honour its promises by providing the starter developments, it might be acknowledged now that some of the accusations made at that time by Natal people that Natal and KwaZulu were being neglected because they failed to support the National Party, were not entirely

fair.

Nevertheless, the prejudices remain. They surfaced strongly again recently during the drought years of 1983 and 1984 when Minister of Environment Mr Sarel Hayward had to fend off indignant critics of the pumping system which sent Tugela water over the Drakensberg to the Sterkfontein Dam and the Vaal complex.

In arguing that the water would otherwise have flowed into the sea because Natal was not using it, he rather missed the point.

What Natal resents is that our water is being used to foster the continued growth of the Vaal industrial complex when there is now a very urgent need to create jobs here. That is why any attempt to expand the pumping scheme will meet stiff resistance. Chief Mangosuthu Buthelezi of KwaZulu has even spoken of legal action to block any attempt.

Natal's need grows increasingly urgent each day, for ours is the fastest-growing population in South Africa.

Starvation, political unrest and destruction of the environment are absolute certainties here if the cycle of poverty, unemployment, illiteracy and high birth rate cannot be broken.

That is why the new initiative is getting off the ground, why a major selling campaign is about to start; not to launch the Tugela Basin development but to speed it up.

And this time, time is on Natal's side for water shortages are now a fact of life. History has at last caught up with the dreamers of the 1950s.

It would be fitting if the final passing of Natal's own provincial government, the last vestige of a once proud independent regional parliament, might be marked by a living monument as massive as the Thorrrington-Smith dream brought to life in the Tugela Basin.

SOUTH AFRICA

RICHARDS BAY DIFFICULTIES IN ATTRACTING INDUSTRIES VIEWED

Johannesburg FINANCIAL MAIL in English 23 May 86 p 64

[Text] As SA's newest harbour, Richards Bay has proved to be what is arguably the most successful and efficient bulk export facility of its kind in the world.

Yet, despite its attractions as a port, the town has failed to attract any significant industry--even in the fat times.

It has ambitious tourism plans (Property April 4), but time is running out because the town must find jobs for a growing number of unemployed. The ranks of the workless have been swollen by a growing number of Indians who will be moved into the town in response to strong lobbying by the House of Delegates.

Already some 150 Indian families have been settled in newly built houses in the town. They, fortunately, have found employment with paper manufacturer Mondi. But a further 150 residential plots for sale to Indians are planned, along with 188 economic and sub-economic houses which are already under construction.

At the same time, services are being provided for yet another 670 plots reserved for the Indian community.

Local industry is being asked to supply the jobs. But the estimated 300,000 Zulus in the Richards Bay area rightly reckon they should be given some consideration as well.

At this stage the task seems to be beyond the town council, which is finding it difficult to interest new industry on a large scale, despite the attractive decentralisation incentives it can offer.

Theo Tolmay, director of planning and development, says the council, helped by Doug Marriot and Co of Durban, has contacted more than 2,500 industrialists since the beginning of March in a campaign to bring more industry to Richards Bay.

Even the campaign, he admits, has failed to attract much more than a passing interest in the area.

The municipality, says Tolmay, is negotiating with only seven of the companies that were contacted, and none of them can be described as majors. If all relocate to the town, six will employ 200 people each and one will have vacancies for 400.

"We are trying to bring in industries like clothing and textiles, which are labour-intensive, as well as undertakings which are major water consumers," Tolmay explains. "There is no shortage of that commodity in the Richards Bay area."

For all that, there has been some response over the last few years, he says. Even before the campaign, nearly 30 new service industries set up in the town over a two-month period. And in the last 14 months, 18 small manufacturing concerns also came on stream.

The decentralisation incentives are the major come-on. They include rental and interest subsidies amounting to about 45% of the cost of their factories, buildings and land, and housing interest subsidies of 50% for key personnel.

Also, government grants a monthly employment subsidy of R80/worker for seven years.

"Land prices," Tolmay adds, "are keen, ranging between R11,50/m² and R16,50/m² for 1,000 m² residential plots. Service-industry sites are on the market for around R29,80/m², with commercial ground going for around R65/m²."

An added bonus: land for parking is provided free.

General industrial ground, Tolmay points out, is selling at about R12,50/m² without rail facilities. With rail service, the asking price is around R18,50/m².

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8 July 1986

SOUTH AFRICA

GOVERNMENT INDUSTRIAL DEVELOPMENT STRATEGY CRITICIZED

Johannesburg BUSINESS DAY in English 23 May 86 p 6

[Article by David Furlonger]

[Text]

GOVERNMENT introduced its latest regional industrial development strategy on April 1, 1982. Critics will tell you that All Fools' Day was the perfect birthday for a scheme they consider an enormous waste of money.

Few will argue against the view that government had to do something to counter growing unemployment and the over-concentration of industrial resources in two or three centres — notably the PWV area.

However, critics argue that the scheme, as it stands, is seriously flawed and creates as many new problems as it solves old ones.

Problems there certainly are.

In its eagerness to spread the industrial word to as many parts of SA as possible, government — through the Decentralisation Board — created nearly 50 industrial development points.

The result, as government officials now concede, is that public money has been pumped into areas unsuited for industrial development.

It doesn't matter how much money goes into an area. If it's wrong, it's wrong. There is now growing acceptance of the view that piecemeal development be scrapped in favour of full-scale development of a handful of centres with the infrastructure necessary to sustain industrial growth.

Federated Chamber of Industries (FCI) information director

Jan de Jager says the system "encourages development where it shouldn't".

"Development should be concentrated in regions with good industrial potential. Incentives should enhance an area's own capabilities and policies should concentrate on as few areas as possible rather than spreading everywhere."

Such a path may well be simplified by the recent easing of influx controls, allowing greater mobility and access to regional development centres.

Another criticism of the present strategy is that it encourages inefficiency and poor productivity.

Potential industrialists are offered a range of incentives and rebates encouraging them to set up shop in a decentralised area. These include transport rebates, contribution to salaries and electricity concessions.

Subsidised

Such concessions do little to encourage good housekeeping by industrialists, nor does the Decentralisation Board's preference for labour-intensive industries encourage high productivity.

An employer who has up to 95% of his wages paid for him has little incentive to watch his other costs, particularly when they too are heavily subsidised.

Says De Jager: "It is always easier to waste other people's money, particularly taxpayers', rather than one's own."

Incentives have earned the ire of well-established manufacturers in existing industrial centres. They claim new competitors have an unfair advantage in the marketplace, where incentives and rebates enable them to produce and sell more cheaply than established companies.

In an economy where consumer confidence is low and government figures show little or no real growth in retail spending, they say there is scant room for increased production outside of export markets. And where government benefits make those markets the domain of a limited number of producers, it must inevitably have a devastating effect on competitors without such benefits.

The industrial development incentives strategy, which covers both SA and the independent states, is split into two main categories — deconcentration points and industrial development points.

Deconcentration points, situated close to existing metropolitan areas, are intended to channel industrial growth away from these areas. There are only a handful of these points.

Industrial development points, of which there are nearly 50, are intended to create a spread of regional development and employment throughout the country.

WHAT'S IN IT FOR INDUSTRY

	Transport rebate %	% of salary wage bill for 7 years	Maximum allowance per worker p/m	Training grant	10-year interest/rental concession %	Housing subsidy %	Relocation allowance	Price preference on tenders %	Electricity concession
MDANTSANE	60	95	R110	YES	80	60	YES	10	YES
MARITZBURG	20	80	R25	YES	15	20	YES	4	NO
BLOEMFONTEIN	40	80	R70	YES	40	40	YES	5	YES
PIETERSBURG	50	80	R90	YES	50	50	YES	5	YES

Source: DECENTRALISATION BOARD

Incentives can be enormous. For example, Mdantsane, in Ciskei, offers potential investors a 60% rebate on all transport costs; 95% subsidisation of the wage bill for seven years; an 80% factory interest/rental concession for 10 years; 60% subsidy of housing interest rates; 10% price preference on all tenders; and training grants and electricity concessions.

For an employer moving from the PWV or Durban Pintown, there is the additional carrot of considerable relocation allowances.

Incentives may be less generous in other areas, either because they are closer to the main PWV market, are already semi-developed, or because the Decentralisation Board considers them less urgent.

Board acting chairman Coenie De Villiers is confident that development policies are achieving what they set out to do — create jobs in areas where there is a need.

"It makes economic sense to take work where the people are living instead of trying to relocate them."

He says there is a rising growth trend in potential job-creation, based on applications to the board for regional incentives and development.

Sensitive

Observers say the board's budget this year could rise as high as R500m. While the number of projects approved last year showed only a small increase, De Villiers attributes this to the recession and expects them to pick up again as the economy improves.

He is sensitive to criticism that the board is trying to develop too many areas.

Government sources say this is the result of previous policies that sought to bring industry to every corner of the country. Having created the expectation of factories and jobs, the government has proved unwilling to divert its money to more suitable centres.

"It's true you can't get growth at so many points simultaneously," says De Villiers. "We want development on a priority basis at a few development points."

Gradual achievement of that aim is shown by the fact that six development points — Isithebe (in Natal), Ezakheni (KwaZulu), Phuthaditjhaba (QwaQwa), Botshabelo (Free State), Atlantis (Western Cape) and East London — accommodate 47% of total development.

"You won't have success if the development point doesn't have some kind of economic viability of its own. The aim eventually is to phase out non-viable ones."

De Villiers stresses that initial job-creation benefits have a spin-off effect in the creation of service industries.

"Any development that you make here has a multiplying effect on jobs in the tertiary sector. In general terms, there is a 2,3 multiplication on industrial job-creation in the long-term."

On the question of low productivity and abuse of concessions, he says: "We carry out inspections and can take steps to increase productivity if we feel this is necessary. Where we have any form of malpractice, we stop concessions immediately and hand the matter over to the police."

De Villiers is unsympathetic towards companies who claim subsidised new competitors have an unfair advantage in the marketplace. Particularly in export markets, he believes there is growth potential for many industries.

He is supported by many industry sources, who believe struggling companies are using incentives payments to competitors as a scapegoat for their own failings.

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SOUTH AFRICA

BRIEFS

GM SEEKS SOUTH AFRICAN PARTNER--General Motors wants a corporate partner in SA-- but not at the cost of surrendering management control. MD Bob White confirmed yesterday that the U.S.-owned motor manufacturer was looking for a partner. He cited the two reasons for partnership with a major SA corporation: --Association with a conglomerate would open the way for GM into the lucrative company fleet market; --Under local financial regulations, wholly-owned foreign subsidiaries are limited in local borrowing. Partnership would give GM access to financial markets. Sa conglomerates have become increasingly involved in the motor industry in the past two years--Anglo American through Samcor and Sanlam through Nissan. GM's name was at one stage linked with Old Mutual, and talks with German motor manufacturer BMW broke down last year. Insisting that GM at present was not involved in specific partnership talks, White said: "It is our intention that we retain management control under any scenario." [Text] [Johannesburg BUSINESS DAY in English 30 May 86 p 3] /9274

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END